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Holgar Johnson Sees Pattern Of Steady Growth For Life Insurance During 1961

In his year end analysis of the life insurance business, Holgar J. Johnson, president of Institute of Life Insurance, sees reason to believe that 1961 will see a pattern of continued steady growth for the industry. His analysis appears below in full.

By HOLGAR J. JOHNSON

The life insurance business in 1961 will continue to have a major influence on the United States economy. While there may be differences of opinion as to the extent of over-all business and personal prosperity in the coming year, we have reason to believe that life insurance will maintain its steady growth pattern.

Despite differing economic forecasts, there is no doubt that life insurance, both through the avenues of protection and investments, will contribute materially to a re-development of prosperity during the year.

\$75 Billion Purchased

From the standpoint of protection, it is expected that American families will purchase \$75 billion of life insurance and their total ownership will pass the \$625 billion mark. This aggregate is a great stabilizing force in the economy. Nearly three-fourths of the new sales total will be under ordinary plans. The average amount of life insurance owned per insured family will be over \$13,000.

The end results of policyholder thrift are the benefits to be paid in increasing amounts to policyholders or their beneficiaries. This year, total payments

to American families by their life insurance companies under life, health and annuity contracts, will exceed \$11 billion, a significant sum which is available to families for the purchase of goods or services.

The second role of life insurance in the economy of the nation is as a major source of capital funds to meet the demands of the economy. Approximately 4% of the disposable income of the American people goes into life insurance premiums and most of this money becomes available for investment.

Last year one out of every seven (CONTINUED ON PAGE 17)



Holgar J. Johnson

National Advertising Gets Belted Around By Engelsman, Josephson

By ROBERT B. MITCHELL

The national advertising done by life companies took quite a beating at the December meeting of Gotham Group of Life Insurance Advertisers



H. D. Josephson



R. G. Engelsman

Assn. Throwing the punches were a couple of the most articulate critics in and of the business, Ralph G. Engelsman, New York sales consultant and former Penn Mutual general agent there, and Halsey D. Josephson, general agent in New York for Connecticut Mutual Life, who together write the fortnightly Probe.

However, nobody got riled, because the group had invited the speakers on a no-holds-barred basis and knew what was in store. The critics got belted a few times themselves on the score of did they really know what they were talking about, but nobody had a completely satisfactory refutation.

Should Motivate Agent

Mr. Engelsman said most advertising is designed to attract the prospect to the marketplace to buy the product, but in life insurance the object should be to get the agent to go out and see the prospect. It should not be to pave the way for the salesman, he contended. However, he said, while some improvement is being made, national advertising and particularly national magazine advertising is not hitting the objective of getting the agent to go out and sell.

Mr. Josephson took up the adver-

N.Y. Air Collision Will Cost Life, A&S Insurers \$8 Million

NEW YORK—The collision of a United Air Lines and a TWA plane over New York City Dec. 16 will cost life and A&S insurers a total of about \$8,112,000 in death claims, according to figures compiled by Institute of Life Insurance and Health Insurance Institute.

Of the total, about \$5,740,000 is made up of claims under life insurance policies, including additional accidental death benefits.

The remaining \$2,372,000 is ac- (CONTINUED ON PAGE 19)

Shanks Resigns; Pru Chief Says Role In Deal Was Distorted

Transactions Involving Ga.-Pacific Corp. Were Misunderstood, He States

NEWARK—Carrol M. Shanks has resigned as president of Prudential and

his resignation has been accepted by the board, effective Jan. 10. A successor is not expected to be announced before that date.

The board's announcement made no reference to Mr. Shanks' dealings with Georgia-Pacific Corp. which got widespread publicity a few months ago but which were cleared by the New Jersey department as involving no breach of

Wednesday Herbert M. Ellend, chairman of the directors committee appointed to select a successor to Mr. Shanks, said his successor would come from within the Prudential organization. Earlier there were reports in Wall Street, reported in the New York Herald Tribune, that Gov. Meyner of New Jersey might be chosen as the new president.

the law. However, Mr. Shanks was explicit on this point in his own statement, saying the situation had been "misrepresented and misunderstood."

Following is his statement:

"In the months following my highly publicized personal transaction with Georgia-Pacific, it became evident to me that I should ask for early retirement in order to be free to pursue business and public service activities which have long held personal interest for me. I wish more freedom of per- (CONTINUED ON PAGE 19)



Carrol M. Shanks

New Positions For 7 Of LIAMA Personnel

HARTFORD—Edward J. Sweeney has been named associate program director in the research division of LIAMA. He has been an assistant program director.

James L. Howard Jr. has been named assistant director of publications.

Named senior consultants in the company relations division are John H. Evans Jr., J. Marvin Foley, Philip N. Lawton, Lendol B. Leach and Richard N. Sauder.

Mr. Sweeney worked at LIAMA before earning his Ph.D. at Stanford University and then joined the Connecticut health department. He has since worked in the medical research laboratory at the submarine base in New London and returned to LIAMA's research division in 1956. He is working on ordinary agent selection research.

Mr. Howard spent five years in the (CONTINUED ON PAGE 19)



GAMC. The certificate was awarded in recognition of the fact that all 86 Connecticut Mutual general agents are members in good standing of the conference. Mr. Holm is also a director of GAMC.

Horace R. Smith, assistant agency vice-president of Connecticut Mutual Life, center, and Walter K. R. Holm Jr., general agent at Providence, R.I., right, accept 100% certificate of membership in General Agents & Managers Conference of NALU. Making the presentation is C. Carney Smith, Mutual Benefit Life, Washington, D.C., who is vice-chairman of

Actors' Coach Shows Agents How To Improve Their Presentations

By ROBERT B. MITCHELL

An agent may be loaded with knowledge and sales skills yet still fall far short of his production potential for a reason that seems so obvious that it's amazing so little attention has been paid to it. It's simply that his conversational manner is unattractive, perhaps even downright obnoxious, to the prospect.

For while a famous surgeon or lawyer may enjoy such renown that his dull, soporific manner of speaking is regarded as a prerequisite of genius, the life agent whose conversation is dull and unattractive is likely to be considered merely as a dull, unattractive and probably incompetent fellow, with whom the prospect wants to have no dealings, even though realizing full well that he ought to buy some more life insurance.

Retained By Salinger-Wayne

One of the few agencies that have attacked this problem is the Salinger-Wayne agency of Mutual Benefit Life in New York. It retained Michael Browne, director of the Institute of Creative Communications of New York City and associate professor of communications in the graduate school of Yeshiva University, New York City, to consult with its agents on a group basis.

Prof. Browne had previously helped such figures in the entertainment world as Eddie Fisher, Tony Bennett, Donald O'Connor and Ava Gardner rebuild their self-confidence when weakness in that department threatened to interfere seriously with their careers. Seems impossible that those four ever lacked self-assurance? That's because you saw them after, not before.

Based On Impromptu Talks

The Salinger-Wayne sessions start off with each participant making a little impromptu talk about something that interests him or on an assigned topic. The latter may cover a wide range, including such subjects as "My Favorite TV Show"; "Mountain Climbing"; "My Hobby"; "What I Will Do Tomorrow"; "Urban vs Suburban Living"; "Hunting"; "Insurance Trade Payers."

The aim is to choose topics about

which the speaker can be expected to be able to talk fluently and interestingly. Prof. Browne and the other members of the group score each speaker on the basis of humor, emotional empathy, conversational tone, communication level, creativity, use of body, use of hands, audience awareness, and application.

Sheets Are Scored

On each of these points a score sheet is checked for "positive," "negative," "neutral." At the bottom there is a space for brief comments.

Sometimes a member will give a performance that he has rehearsed at home, perhaps a passage from Shakespeare. This, of course, would be judged on a different basis from an impromptu talk.

Some marked improvements have been made in the conversational style of the group's participants. Men who mumbled and slurred their words, or rattled along in a monotone were shown what a dreadful impression this

Aetna Life To Transfer Its Canadian Sales To Excelsior Life, Jan. 1

Excelsior Life will soon become the sales outlet in Canada for all coverages formerly supplied by Aetna Life, according to A. Bruce Matthews, Excelsior president, and Henry S. Beers, Aetna Life president, in an announcement at a recent meeting of Excelsior's board.

Aetna Life last summer acquired a controlling interest in the Canadian company.

The first step in the process of transferring all Aetna Life's sales activities in Canada to Excelsior will be taken Jan. 1, when all issues of ordinary life, excepting group conversions, term conversions and pension trust additions to existing plans, will be placed with Excelsior.

New sales of Aetna Life's individual health coverages and group business in Canada will be transferred to Excelsior and written by that company at a later date.

All Aetna Life producers in Canada will become representatives of Excelsior Life on Jan. 1.

sort of thing makes, and then were taught how to correct their deficiencies.

This helps them, not only in making more attractive and vital impressions on their prospects and thus increasing the chances of making a sale, but even more important it gives them new confidence in themselves. They may not have felt particularly lacking in self-confidence but they are aware of a gratifying difference in their morale when they put the newly learned techniques to work. They develop confidence in talking to prospects, and this confidence makes an interview a stimulating challenge and something eagerly to be sought.

And above and beyond the improvement in speech technique and the boost in self-confidence there are 'round-the-clock benefits, for as a result of the coaching most of the group's members seem happier and better equipped to live with themselves.

Five Mutual Of N. Y. Policyholders In Air Collision Over N. Y. C.

At least five Mutual of New York policyholders were among the passengers who died in the tragic mid-air collision and crash of two commercial airliners over New York on Dec. 16.

Benefits under their policies are expected to total \$364,000, including \$90,000 payable under the accidental death benefit clause.

Nearly all the contracts were of recent issue. The policyholders ranged in age from 29 to 59.

Nw Mutual To Make 9th Straight Dividend Hike

In 1961 Northwestern Mutual will increase its dividends for the ninth consecutive year and will pay out \$96 million in policyholders' dividends. This is a 6.7% increase over 1960.

The \$96 million represents 28% of the \$344 million that the company expects to receive in premiums in 1961. The new scale will add \$4.1 million to the amount which would have been distributed under the former scale.

President Donald C. Slichter attributed the dividend scale raise primarily to increased yield on investments and improved mortality. The improved yield on investments is also responsible for a reduction the company is making in the purchase cost of single payment annuities.

Changes In Citizens Life Portfolio Introduced At General Agents Meeting

Changes and additions to Citizens Life of New York's portfolio were introduced to general agents at a meeting in New York.

John A. Solomon, vice-president, stated that all premiums and non-forfeiture values will be based on the 1958 CSO table, effective Jan. 1. New types of coverage being added to the portfolio Jan. 1 are a guaranteed purchase option, one-year modified whole life, seven-year graded premium whole life, term to 10 and 10-year renewable term.

In a departure from traditional practice, Citizens will begin showing premiums for substandard and waiver of premium by using a percentage of the gross premium instead of a fixed cost addition. Beginning Jan. 1, the company will also express dividends in terms of a percentage of gross premiums.

U.S. Chamber Warns Of Early Drive For Compulsory Medical

WASHINGTON—The compulsory approach through social security toward medical care for the aged will be one of the first items of legislation before the new Congress when it assembles next month, says A. L. Kirkpatrick, manager of the U. S. Chamber of Commerce insurance department, in a letter to the chamber's insurance membership.

"The conservatives will again oppose this approach as they did so successfully earlier this year," he said.

Mr. Kirkpatrick suggests that insurance members of the national chamber, particularly members of its insurance committee, attend the annual legislative conference of chamber committees here Feb. 6-8, 1961 and participate later in the chamber's annual "aircade" which will visit a dozen cities, including Honolulu and Anchorage, Alaska.

Following is the letter to the insurance membership: "The National Chamber has continued to pursue its 'positive approach' to the solution of the problem of health care for persons over age 65. Recognizing that the voluntary system is the only alternative to government compulsion, the chamber has used its best efforts to encourage and extend the use of voluntary insurance.

Urged To Extend Programs

"Through 'Washington Report', the chamber's weekly newsletter, all employers have been urged to extend their group health insurance programs to cover employees and their dependents in their retirement years. This recommendation received a favorable reaction from employer members and a great deal of newspaper publicity, including several favorable editorials.

"The house of delegates of the American Medical Assn. meeting in Washington a few days ago, adopted a resolution calling for a joint effort on the part of itself, American Hospital Assn., Blue Cross, Blue Shield, private insurance companies and other types of medical care plans to extend the voluntary system to the maximum.

"The compulsory approach through social security will be one of the first items of legislation before the new Congress when it assembles next month. The conservatives will again oppose this approach as they did so successfully earlier this year.

"The annual legislative conference of chamber committees will be held again on Feb. 6-8, 1961. More than 600 business leaders from all parts of the country, who comprise the committee membership of the chamber, will meet here in Washington to survey the legislative outlook in every phase that is important to business and then spell out the legislative action program to be followed during the months ahead.

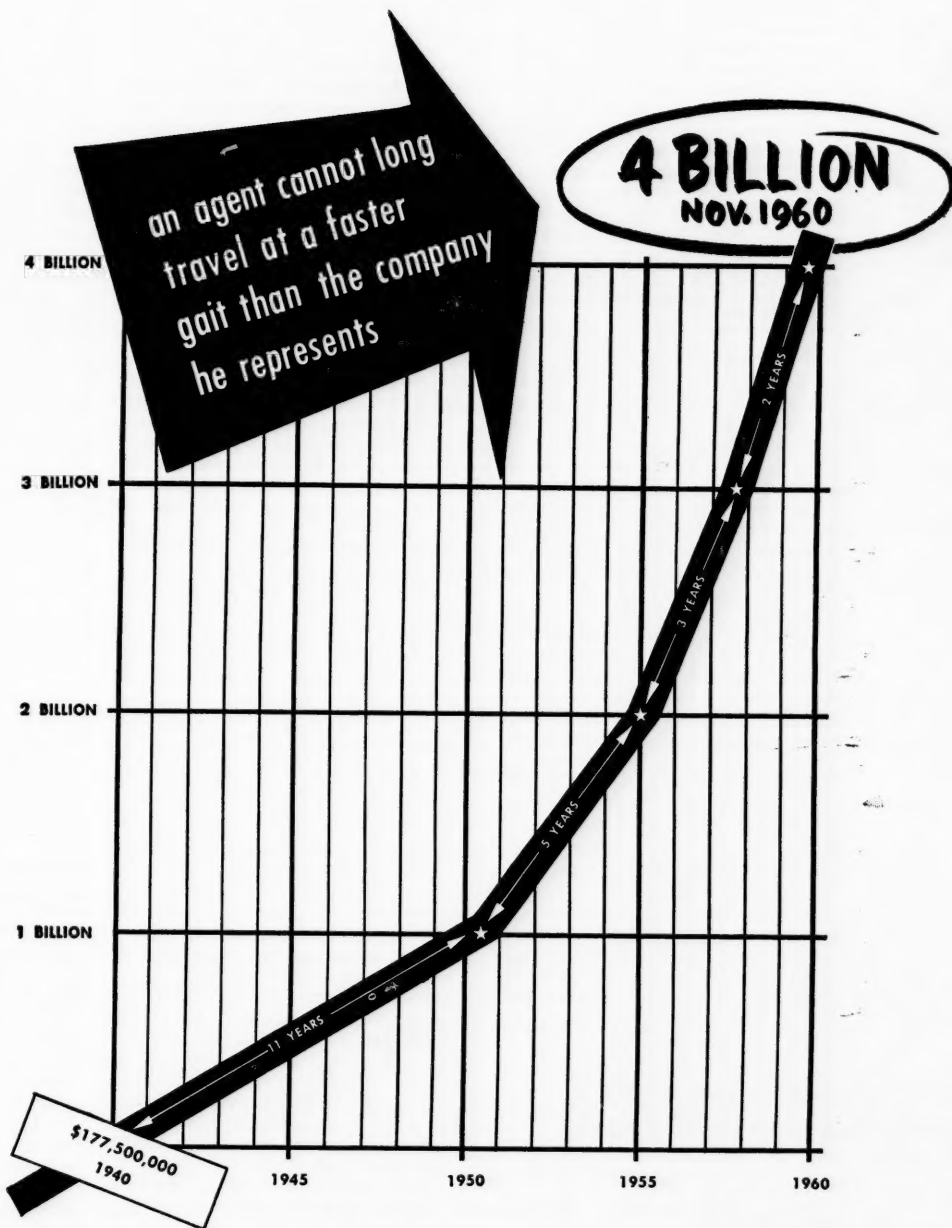
"This annual conference not only offers an opportunity for committee members to work together, but also permits them to confer with congressional leaders and with heads of the various government departments and agencies dealing with the same issues.

"Following the conference, President Arthur Motley, Executive Vice-president Arch N. Booth, and other directors and members of the staff will take the chamber's constructive program direct to the business men of the country in the annual 'aircade.'



The Social Work Recruiting Committee of Greater New York awards New York Life a plaque "for helping to direct many young people into a career of social service through its career advertisement, 'Should You Be a Social Worker' " at a dinner in New York. Shown with Clarence J. Myers, chairman and president, left, accepting the award for New York Life, are Sen. Jacob K. Javits and Mrs. Henry Ittelson, who was

guest of honor at the dinner as one of the founders of the committee five years ago.



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, President • SPRINGFIELD, ILLINOIS

Distinguished Service Since 1884

The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans.

Over Four Billion Dollars of Insurance in Force

S. SAMUEL SCOVILLE SAYS:

Five Conditions Should Be Met In Deferred-Pay Plan Proposal

In their enthusiasm over the possible uses of deferred compensation plans, agents may be overlooking significant factors that determine whether or not such plans are the best solution to the client's problem. S. Samuel Scoville, editor of the D. L. B. Agent's Service, told a meeting of Minnesota Life Leaders Club. Failure to evaluate these factors may result not only in a disservice to the client but also in the agent's short-changing himself, said Mr. Scoville. Following is the portion of his talk dealing with the criteria a plan should meet.



S. Samuel Scoville

1. It must be demonstrable that a qualified pension or profit-sharing plan cannot be made to do the job that must be done for all the high-salaried employees.

While it is generally accepted that most executives cannot gracefully retire on less than 50% of their pre-retirement income (after taxes), the extent to which the qualified retirement plan may be able to accomplish this is probably not fully appreciated. In recent years the discrimination rules applying to qualified plans have been so liberalized that it is often possible, at least in the small closed corporation, to qualify a plan where as much as one-half of the benefits accrue to the stockholder-employee and other highly compensated executives.

The point to remember is that the tax advantages of qualified plans are tremendously greater than the limited tax benefits obtainable from non-qualified deferred compensation plans. Under the qualified plan there are both income and estate tax advantages for

the employee (especially where life insurance is incorporated) and there is also immediate tax deductibility of contributions by the employer.

Immediate tax deductibility is of great significance. If a plan can be qualified wherein the stockholder-employees and other highly compensated executives may receive as much as one-half of the total benefits, the net effect is that the federal government, for all practical purposes, pays for the benefits for all the other employees (assuming a 52% corporate tax bracket). This is a windfall which would be lost to the corporation under a non-qualified deferred compensation plan.

Better Than Qualified Plans

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It is in this area where the life agent may be shortchanging himself if he does not drive home these tax advantages to the heads of the corporation. By dismissing too soon consideration of a qualified plan on the grounds that

(CONTINUED ON PAGE 17)

100,000 Under-50 Disabled Getting Checks From OASI

WASHINGTON—Over 100,000 of the 250,000 estimated workers under 50 eligible for benefits under the disability program have been sent their first benefit checks under the 1960 amendments to the social security law.

Before the recently enacted amendments to the social security law, disabled workers and their dependents were not eligible for cash disability benefits while the worker was under age 50. Now these disabled workers and their dependents have the same kind of income protection that is provided for retired workers.

Under the provisions of the law before the 1960 social security amendments, the younger disabled worker could apply to have his social security record frozen so that the years when he was unable to work because of his disability would not be counted against him in figuring any future benefits payable to him and his family.

About 100,000 disabled workers under 50 years of age had applied to have their social security records frozen under the old law. One such disabled worker, Homer Phillips, 20, Johnstown, Pennsylvania, has received his first monthly disability benefit check, for \$77. A polio victim at 19, Mr. Phillips is the youngest disabled worker in the country to profit from this new protection. His monthly benefit is based on his earnings from part-time work after school and on Saturdays and later from full-time employment in a lumber mill and bowling alley. At the present time he is so severely paralyzed that he is unable to work. He is currently learning a trade and receiving physical therapy through the Pennsylvania vocational rehabilitation agency. (The social security law requires that all applicants for disability benefits be referred to the appropriate state agency for consideration for rehabilitation services.)

Homer Phillips' monthly disability checks will continue until he is able to do substantial work. Under the new provisions of the law, he will get his disability benefit checks up to 12 months after he begins working at his new trade and until he has had an opportunity to demonstrate his ability to continue working.

Other severely disabled workers under age 50 are advised to contact their nearest social security office to see whether they are now eligible for disability benefits, said HEW Commissioner Mitchell.

To be eligible, a disabled worker must have a condition so severe that it prevents him from engaging in any substantial gainful activity. In addition, he must have social security credits for at least 5 years of work out of the 10 years before he became disabled.

General American Agency Directors Meet In St. Louis

General American Life agency directors from metropolitan centers throughout the United States met in St. Louis to prepare for stepped-up recruiting, training, and sales activities in 1961. The meeting was conducted by Woodruff W. Walker, home office director of agencies.

Western Farm Bureau Life of Denver has been licensed in Montana.

Atlantic Alumni Of LIAMA Schools Will Gather Jan. 26-27

A two-day graduate seminar in management trends will be sponsored again this year by Atlantic Alumni Assn. of LIAMA schools in management.

Robert L. Snowden, CLU, president of the association and manager in Trenton, N.J., for Metropolitan Life, said Jan. 26 and 27 are the dates for the seminar, to be conducted by senior consultants of the company relations staff of LIAMA. Cherry Hill Inn in Haddonfield, N.J., will be the place.

The subjects to be covered in this year's seminar are recruiting successful agents in today's market and agency organization, supervision and control for production in the '60s. LIAMA's recent tools, materials and research findings will be incorporated into the program, which will include lectures and discussions.

Any graduate of a regular LIAMA school in agency management may attend the seminar. The group will be limited and registrations should be made with LIAMA, 170 Sigourney Street, Hartford, as soon as possible.

The Atlantic Alumni Assn., comprised of graduates of LIAMA's school in agency management from the eastern seaboard area, has been in existence since 1939.

Additional information may be obtained by writing to LIAMA headquarters. Besides Mr. Snowden, officers of Atlantic Alumni Assn. are vice-president, Chester Jones, Massachusetts Mutual, Washington, D.C.; secretary-treasurer, Robert L. Wilkins, Prudential, Hartford, and Arthur Schmidt, New England Life, New York City.

Hearing Set For Rochester Blue Cross Rate Increase

Superintendent Thacher of New York has called a public hearing Jan. 10 on the application of Rochester Hospital Service (Blue Cross) for subscriber rate increases on standard contracts in amounts ranging from 80 cents to \$2.10 a month.

The hearing, beginning at 9:30 a.m., will be held at the Monroe County Academy of Medicine in Rochester. Samuel C. Cantor, first deputy superintendent, will preside.

The rate application includes a request for approval of several proposed expansions of subscriber benefits, various riders to standard contracts and rate increases on the Rochester plan's "economy" contract ranging from 8 cents to 20 cents a month.

Seeking to have the application approved effective April 1, the plan has advised the department, "Despite the fact that we have not begun to show consistent losses, higher per diem hospital costs plus the historical upswing in utilization which will commence in January requires that we request a revision of our rate structure."

Good Nov. For Bankers Life, Ia.

Bankers Life of Des Moines reports new business during November reached \$45,687,852, an increase of more than \$9½ million over the same month last year. Of this amount, ordinary insurance totaled \$23,791,765 and group insurance, \$21,896,087. For the first 11 months of the year, new business totaled \$417,488,461. Ordinary insurance through November reached \$251,351,774 and group insurance, \$166,136,687.

LIFE INSURANCE TRENDS IN 1960

LIFE INSURANCE OWNED IN U.S. AT YEAR-END

Year	Amount (in billions)
1950	\$234.2
1959	\$542.1
1960	\$585.0

PURCHASES OF NEW LIFE INSURANCE IN U.S.

Year	Amount (in billions)
1950	\$28.8
1959	\$70.9
1960	\$73.0

LIFE INSURANCE BENEFITS PAID TO AMERICAN FAMILIES

Year	Amount (in billions)
1950	\$3.7
1959	\$7.5
1960	\$8.0

FUNDS HELD TO SECURE POLICIES (Assets of U.S. Life Companies)

Year	Amount (in billions)
1950	\$64.0
1959	\$113.7
1960	\$119.5

INSTITUTE OF LIFE INSURANCE

Public By NA

WASHINGTON—The first issue of the NALU Public Relations Bulletin, prepared by the National Association of Life Underwriters, is now being distributed to public relations spots in the industry. It points out the importance of public relations in the insurance industry and the need for better communication between the industry and the public. The bulletin is a quarterly publication and is available to all members of the NALU. It contains articles on public relations, insurance, and other topics of interest to the industry. The first issue was published in November 1960 and is available to all members of the NALU. It contains articles on public relations, insurance, and other topics of interest to the industry. The first issue was published in November 1960 and is available to all members of the NALU.

Public Relations Newsletter Issued By NALU; 'Clearing-House' Of Ideas

WASHINGTON—National Assn. of Life Underwriters has come out with the first issue of a new publication, the NALU Public Relations Newsletter, prepared by Marvin A. Kobel, director of public relations.

It points out that one of the bright spots in the over-all NALU public relations picture has been the recognition of the importance of PR by local and state associations—and the resulting appointment of strong working public relations committees.

"NALU couldn't be more gratified at this turn of events," the Newsletter continues. "Thus, we have one of the basic reasons for an acceleration of PR services from headquarters—such as this special Newsletter for local and state public relations chairmen, executive secretaries and members of the national public relations committee."

"Basically, this Newsletter will do the following jobs: (1) Keep you informed about the tools and ideas available at and through NALU headquarters; (2) provide you with practical public relations advice and philosophy; and (3) pass along tried-and-proved ideas that have been put to work by associations."

"If this PR Newsletter is to really be of value, it's most important that local and state public relations chairmen use it as a 'clearing-house' of workable ideas. Don't hesitate to pass along your suggestions of do's and don'ts to Marv Kobel, c/o NALU headquarters."

While the Newsletter is primarily for the groups mentioned, it urges them to "get some extra mileage out of it by letting your association officers review it from time to time."

The Newsletter says this about the NALU PR kits: "The interest shown in them to date is tremendous. Nearly 350 local and state associations have them, with many more on the waiting list. At present, the kits are undergoing revision. The job should be done shortly, and then all back orders will be filled—but only one kit to an association."

Officers Should Review Kits

The kit is made up of units, each unit covering a facet of association public relations. The kit should be permanently kept by the local or state PR chairman, but it should be reviewed by the association officers and committee chairmen, so that they, too, are familiar with the available services and programs.

The Newsletter reminds its readers that the following, among others, are available through NALU:

—Institute of Life Insurance-NALU public service award program.

—NALU social security slide-narrative.

—U.S. Chamber of Commerce economic discussion and political action groups.

—Presentation of bookshelves to libraries.

—Association-school liaison blueprint (high-school level family finance program and adult education course in family finance).

—Anti-inflation program ("Trouble in Paradise").

Touching on paid advertising, the Newsletter concedes it costs money, "but a carefully planned, continuing advertising program does pay dividends—and assures the association of prominent mention. Dutchess County (N.Y.) association is doing a great job of building its image and promoting

membership with a monthly newspaper ad which lists all association members. The series is paid for by contributions of individual members."

NALU now has three sample advertising series. Proof sheets and/or "mats" are available free on request. In addition, local papers will help work up ads to suit an association's budget.

The Newsletter reminds its readers that "names make news—especially

when they're the names of NALU officers or trustees. That's why every association hosting an NALU officer or trustee receives special PR material, which must be reproduced and distributed locally, of course. If one of these NALU leaders comes to your community, don't miss out on this unusual opportunity to get legitimate newspaper radio and TV coverage."

Here's another idea from the Newsletter: "Want a two-column picture and 30 inches of newspaper space? If so, here's the tried-and-proved formula: The presidents of the San Die-

go Life Underwriters Assn. and Insurance Agents Assn. held a joint interview for the local press. Object? To give the year-end production results, national and local, for each branch of insurance and to indicate some of the major trends of the past year and outlook for the future.

"If a press conference can't be arranged, how about a news release which has the local association president quoting end-of-year figures released by the Institute of Life Insurance and usually carried in Life Association News?"

Business Insurance Prospects Read This Message...

What if something happens to Mr. Mac?

Mr. Mac is any of those key men who are so important in most businesses. He could be you. Whatever Mr. Mac does, he does well. His loss would mean serious and immediate problems for management. Many of these problems can be solved by a program of key man life insurance with the following benefits:

- Provides cash* to attract and train replacements, and to indemnify for temporary loss of company earning power.
- Provides cash* to protect credit and endorsers of company's paper.
- Provides cash* to guarantee continuance of dividends, to guarantee continuance of business and avoid dissolution, merger or forced sale.
- Provides cash* to retire any stock held by the deceased, and to continue his salary to his family.

Connecticut Mutual Life has a special business life insurance department and offers hundreds of combinations of policies and settlement options. Ask a CML man to talk to you about how key man life insurance can fit your situation. He'll recommend a plan with guaranteed flexibility... one that can be changed as your business picture changes. Talk to him soon, while your Mr. Mac is on the job.

*Free from federal income tax.

In business 114 years

Owned by its policyholders, CML provides high quality life insurance at low cost and personal service in more than 300 offices throughout the country.

Connecticut Mutual Life
INSURANCE COMPANY • HARTFORD

One million two hundred thousand business owners and executives are being exposed to this helpful advertisement in Time and Newsweek. Many thousands of them will remember this message about the value of consulting a CML man.



Says Big Marketing Aims Are To Build Agent's Advisory Ability, Sell Public On His Competence

Life insurance marketing has two big objectives: To educate and train the salesmen so they are fully capable of advising and prescribing for individuals and business owners, and to educate the public on the desirability of using the services of these salesmen, Raymond C. Johnson, New York Life's vice-president in charge of

marketing, said in his talk at a panel discussion at the annual meeting of American Assn. of University Teachers of Insurance at St. Louis. The panel subject was the application of the theory of marketing tangible goods to the marketing of insurance.

Let me begin by saying that I speak only for personal insurance—life, accident and sickness and annuities, sold both to individuals and to groups. I do not speak for property insurance—fire, casualty and marine.

I mention this at the outset because there are great differences in marketing these two forms of insurance and these differences should be kept in mind during our discussion.

I would like to talk today on the assigned subject, the application of the theory of marketing products to the marketing of life insurance, accident and sickness insurance and annuities; and there are some who believe the marketing of life insurance is absolutely no different than the marketing of any other product offered the public—but I am not one of them.

In fact, I believe that thinking along these lines could get a life insurance

sales executive into serious trouble. There may be some similarities in the property insurance field but in the personal insurance field I believe a study of the differences should prove more rewarding.

If you think of marketing as embracing every function that takes place from the time the product is first conceived until it is in the hands of the ultimate consumer, certainly personal insurance and a tangible product have to pass through most of the same steps. There must be consumer research, product design, packaging, pricing, advertising, sales promotion and service.

Must Be Customer-Oriented

Certainly, as Dr. Miner told us a few minutes ago, whether you are marketing a product or personal insurance, the marketing must be productive, customer-oriented, dynamic, integrated and profitable.

But because of certain fundamental differences between marketing products and life insurance these functions must be performed in a different manner. It is about these differences that I wish to talk today.

First let's start at the beginning—by reviewing some of the basic facts about marketing products and life insurance. I am sure you are fully aware of the statements I am about to make but still I believe they bear repeating.

Most Purchases Are Tangibles

Most of the things that the American people buy are products—tangible things that are manufactured or processed or packaged—and for which there is already an existing demand. Most of these products are purchased by the consumer at the point of sale without any person influencing the decision. In the past few years with more and more supermarkets and

(CONTINUED ON PAGE 16)



Winners in Postal Life's president's sales campaign pose for group photo with George Kolodny, Postal president, third from left, who presented the awards. From left are Alexander Rotenberg, New York; George Ross, Middletown, N.Y.; Mr. Kolodny; Leo J. Wasset, Blauvelt, N.Y.; Conrad E. Michaels, Philadelphia, and Hy Lampe, White Plains, N.Y.

\$13.3 Million Sales In Postal Life Drive Honoring President

The field force of Postal Life set company records in both ordinary and group production during its sales campaign honoring President George Kolodny, with a total amount submitted of \$13.3 million, of which \$8 million was ordinary business.

Results of the campaign were announced at a luncheon in New York attended by agents and heads of agencies which surpassed minimum quotas for the drive.

The leading agency in paid for ordinary business was the Michaels agency,

Philadelphia. Leading individual producer was George Ross, general agent at Middletown, N. Y. Leader in group production among agencies was the DeMian agency at New York. Other leading general agents were Hy Lampe, White Plains, N. Y.; Conrad E. Michaels, Philadelphia; Alex Rotenberg, New York, and Leo J. Wasset, Blauvelt, N. Y. Mr. Kolodny presented the awards.

Two additional leaders among general agents, James H. Hamill, Rochester, N. Y. and Albert A. Rapport, Buffalo, will receive their awards as a regional uncheon in Buffalo.

Attending the luncheon in New York were some 65 qualifying agents, general agents and home office officials.

Osler Defines Reasons For Forming A New Insurance Company

Speaking on "The Procedures and Problems of Forming a New Company," Robert W. Osler, president Underwriters National Assurance, Indianapolis, said that it is not as easy as it looks from the outside—particularly if the stock issue is filed with SEC.

Mr. Osler said people usually form life or health companies for one or another of the following reasons: Non-life or non-health companies wishing to enter the field to broaden their scope of activities; those who desire to obtain the business of some very large account—such as group or credit insurance—controlled by the founders; non-insurance men who look at the business as a stable, long-term investment with certain tax-shelter aspects; stock promoters, primarily interested in the sale of the stock and tiering the values; and insurance men with what they consider an "idea" that is not only a service to the public, but also will help build a sound, profitable company.

Men's Club Atmosphere In American Health's Branch

BALTIMORE—American Health's new branch office in the Maryland Trust Co. Building here is designed to create a relaxed atmosphere like that in a men's club or lounge, for visiting agents and brokers and their clients. The effect is achieved primarily by the use of subdued lighting, coarse-textured cypress paneling, tweed fabrics on furniture and walls, soft leather on chairs, linen draperies and a screen of shutter panels at one end of the room. A private conference room is part of the office.

American Health is a subsidiary of Commercial Credit Co. of Baltimore.

Fidelity Mutual Life Book Covering Business Buy-Out Pacts Brought Up To Date

Fidelity Mutual Life has published the third edition of its booklet, "Specimen Agreements for Purchase and Sale of Business Interests at Death." Its co-authors—Harry S. Redeker, general counsel, and Paul L. Wise, assistant counsel—have brought the 1956 edition up to date, including in it regulations, rulings and decisions since 1956.

Compares Plans

The new booklet compares cross-purchase and entity-purchase plans for purchase of both partnership interests and corporate stock. In the case of corporations, there are discussed such questions as the tax status of premium payments and of proceeds, the basis for determining gain or loss, transfers for value, stock redemptions treated as dividends, and constructive ownership of stock.

The booklet explains problems that must be considered when using life insurance settlement options under such agreements, the use of agreements in personal service or professional partnerships, and valuation problems encountered in partnership cases, with particular emphasis on the treatment accorded the element of good will. The booklet is documented with footnotes and six specimen agreements.

Quincy (Ill.) Agents Meet

Quincy (Ill.) Assn. of Life Underwriters, at the December meeting, heard Prof. Frank Naggi of Quincy College, temporary chairman of the Adams County industrial expansion committee. He urged the agents to support the committee in its function of stimulating economic growth in the country.



"Parallel Shadows" is the title of this water color by John Rogers, used for months of January and February in Provident Mutual's 1961 calendars. Members of the Philadelphia agencies and the home office employees voted on nearly 50 paintings exhibited in the company auditorium. Besides Mr. Rogers, winning artists included such noted painters as Peter Hayward, A. Lassall Ripley, George Cherepoy and Guy Wiggins. Provident's 1959 and 1960 calendars won first prize in the annual lithographic awards competition of the Lithographers & Printers National Assn. It was the first time one company's calendars had won consecutive awards.

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New York Life Home Office Tied To 33 Service Centers By Private Telegraph

New York Life has installed an 8,500-mile private wire telegraph system, thus connecting its 33 new central service offices in the United States with the home office.

The installation will expedite claim payments and provide faster processing of data, premium records and other policy information.

Each of the 33 central service offices serves from six to 10 general sales offices in its surrounding area. The private wire network that links these offices to the home office and to each other is capable of handling more than 100,000 words daily.

Twice The Load

The private system, at no increase in cost, will handle more than twice the number of messages New York Life formerly sent over regular Western Union facilities. The company also expects a noticeable decrease in long-distance telephone costs. New York Life's wire-message volume is currently double the total before installation of the private-wire system, and it is estimated the circuit can handle an additional increase of 35%.

Each Office May Transmit

Each office may transmit messages and information as required, and receive information from home office through the use of automatic transmission equipment installed in the system. A message is prepared by typing it on a teleprinter keyboard, which also converts the message into a punched paper tape. The prepared tape is inserted into the tape transmitter unit at the sending station and messages are received instantly at the destination station. Selection equipment automatically activates the transmission when it establishes a connection to the destination station. Each message is directed to its proper destination by means of a coded letter inserted by an operator in the heading of the message.

Operates Without Operator

Another feature of the system is its provision for unattended service during hours when the home office is closed. Messages may be received during these hours, without an operator in attendance, by means of a time-clock arrangement that automatically turns the receiving equipment on or off at specified times.

New York Life's central service offices organization was established to

relieve the company's general sales offices throughout the country of their record keeping functions. With each CSO handling record keeping, accounting and billing for the general offices in its area, this operation thus will become more efficient.

One of the most important advantages to the company of the new pri-

ivate system, Dudley Dowell, executive vice-president, said, is the flexibility it offers for expanding the use of electronic equipment and applying the new system to improved electronic techniques.

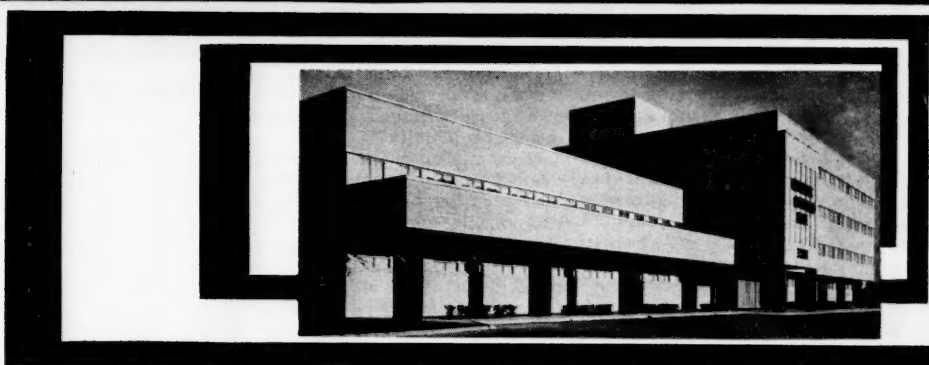
"We are presently completing a system that is probably the largest electronic data processing installation under one roof in the world," he said. "It already is producing information we never could compile before and giving us other facts weeks or months before we could get them through the old manual processes."

United Services Planning \$200,000 Capital Increase With 33 1/3 Stock Dividend

United Services Life plans a 33 1/3% stock dividend and increase of capital stock from \$600,000 to \$800,000, subject to its stockholders' approval.

United Services insurance in force Nov. 30 exceeded \$475.7 million, a gain of \$60 million during 1960. The company is the largest in the United States selling life insurance exclusively to armed forces officers and families.

Aktieselskabet Som Er Fremadstræbende
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La Compagnia Che Va
La Compagnie Qui Avance
Die Gesellschaft Die Voran Ist
Die Vorwärts Strebende Gesellschaft
Het Maatschappij Wat Opmart



In any Language...

Republic National Life

Is the **GO** Company

of the Life Insurance Industry

Providing Complete Life and Accident and Sickness Protection in 42 States, District of Columbia, Puerto Rico and World-wide Reinsurance Service.



New and old managing directors of LIAMA with the association's president, Burkett W. Huey, newly appointed director (left); Kenneth B. Skinner, LIAMA president and vice-president and agency director of Southland Life, and J. Harry Wood, who resigned as LIAMA director to become president of Home Life of New York.

REPUBLIC NATIONAL LIFE Insurance Company DALLAS, TEXAS
LIFE • ACCIDENT • SICKNESS • MEDICAL AND SURGICAL REIMBURSEMENT • HOSPITALIZATION
GROUP • PENSION • FRANCHISE • BROKERAGE • COMPLETE REINSURANCE FACILITIES

Warns General Lines Agents They Risk Loss Of Accounts By Not Selling Life

A blunt warning that the general lines agent who fails to solicit his clients for life insurance is not only missing some substantial commissions but is risking loss of fire-casualty accounts to life agents who sell all lines is voiced by John J. Keenan, director of agencies of Employers Life, in the Employers Pioneer, published by the Employers group.

It is reproduced here as an interesting commentary on the growing intensity of the competition between the general lines agent and the career life agent for the total insurance business of their respective clients.

Life insurance industry statistics prove that one out of seven families in the United States will purchase life insurance protection on some family member in 1960. This important fact should be constantly kept in mind by every independent agent for two very vital reasons.

First, by intelligent prospecting for life business, as a part of regular general lines activity, agency income can be very substantially increased without any increase in overhead. Second, the agent who fails to render complete insurance service to his clients, not only lets someone else earn the substantial life commissions, but also runs the risk of losing entire accounts to agents who make life sales.

57 Sales For \$570,000

Using the ratio of one out of seven, let's see the amount of agency income that can be produced by life insurance sales. Let's assume an average size policy of \$10,000 (Employers' Life current average is \$12,500). Let's assume further an average annual premium of \$20 per \$1,000, or \$200 per case. In an agency with 400 clients, there should be 57 sales for total life insurance of \$570,000.

This would produce total annual premiums of \$11,400. Applying the Employers' Life liberal commission plus bonuses percentages, the first year agency income could be as much as \$8,892! In addition, there would be liberal renewal commissions and bonuses plus service fees. All of this can be accomplished without increasing your agency expenses!

'Fortune In Your Files'

Literally, there is a fortune in your files waiting to be mined. You enjoy a tremendous advantage over the full-time life insurance man in that you have the prospects and you know the important facts about each one. All that remains for you is to make your clients aware of your readiness and ability to service their life insurance needs in the same efficient manner that you handle their general insurance.

Every time you speak with a client you should mention life insurance in a general or specific way, depending on the situation. For example, every time you discuss or present a homeowners or fire coverage policy, try to impress upon the client that he should make sure his family will have a deed rather than a debt if natural or economic death should liquidate their most precious asset, his earning power.

Mortgage Sale In 10 Minutes

Our completely self-contained pocket size brochures on "Home Protection" (PL 102) and "Complete Home Protection" (PL101-1) plans help make you an expert. A concise and convinc-

ing sales presentation of mortgage life and disability coverages can be made in less than 10 minutes.

Every time you deliver a family automobile policy, take a few minutes to describe our very popular family life plan, which provides insurance protection on the father, mother, and all children at one low premium. Use the Family Life sales brochure (PL-106).

Will Pay Handsome Dividends

Your constant consciousness of what life insurance can do for your clients and for your agency and the development of sales situations as a part of your regular activity will pay handsome dividends.

Earlier, we mentioned that failure to make life insurance part of the complete service offered to clients could affect the general insurance agent adversely both in loss of life commissions on income and in possible loss of entire accounts. Every day increasing numbers of life insurance agents are becoming licensed in the general lines and handling fire and casualty coverages for their life clients.

A survey made recently by the Life Insurance Agency Management Assn. showed that in a group of 1,000 life insurance agents, more than 50% were licensed for general lines. A 1959 survey of the members of the Million Dollar Round Table, which is composed of the million dollar a year life producers, revealed that approximately 40% were engaged in some general insurance activity!

More and more life insurance agents are offering to handle all of a client's insurance in order to solidify their relationship. Having worked hard over a period of years to develop a clientele, why should the general insurance agent leave the door open and, in effect, invite raiding of his accounts by failing to provide the complete insurance service which his clients deserve? The answer is obvious.

Rivalry Getting Keener

The insurance market place grows more competitive by the day. The successful, prosperous independent agent of the future, from desire, necessity, or both, will service all of the insurance needs of his clients, calling for specialized assistance when needed. Common sense dictates that every agent who wishes to protect and conserve his most precious asset—his customers—and who is interested in building a brighter financial future for his agency, has but one logical step to take: Start selling life insurance now!

Amer. United Policyholder Is 96, Outlives Policy

An American United policyholder, who outlived his policy, has ended his 96th year with a \$4,120 birthday present from the company. Jordan R. Farmer, Richmond, Tex., bought the policy in 1893 from the insurance department of Knights of Pythias lodge, which later became American United. According to the American Experience table which was used at that time, one person in 28,571 lived to be 95.

Asked what he planned to do with the \$4,120, Mr. Farmer replied, "Put it in the First National Bank of Richmond, of course." Mr. Farmer is president of the bank.



Northwestern National Life queen who will ride float in Rose Bowl parade, Jan. 2, is assisted in adjusting her blue fox cape by John S. Pillsbury Jr., Northwestern National president. She is Kay Knudson, University of Minnesota junior, who was school's homecoming queen and works as receptionist at company's home office during summer.

5,000-Plus College Students In Debate On Compulsory A&S

More than 5,000 college and university students taking part in the 1960-61 National Intercollegiate Debate program are currently discussing the proposition, "That the United States should adopt a program of compulsory health insurance for all citizens."

The discussion question was chosen through an annual poll of debating coaches throughout the country by the committee on intercollegiate discussion and debate of the Speech Assn. of America. Each student in the intercollegiate debate must learn both sides of the question.

Colleges and universities are currently holding intra-school elimination contests. From there, invitational debates will be held among schools on a regional basis.

Regional Champs To Compete

A highlight of the year's debating activity will take place next spring at the United States Military Academy, West Point, N.Y., when regional champions will compete.

To date Health Insurance Institute has sent nearly 4,000 reference kits which outline the growth of health insurance in the United States. These kits, which were sent to colleges and universities before the opening of the school year, were designed for use by the debaters, speech departments, and libraries. The institute has become the central source of insurance information on the debating topic and has made its services available to students for further research.

Member companies of Health Insurance Assn. have received reference kits for their information and many companies are forwarding to the institute the requests they receive from the debaters for health insurance data. The institute has urged companies to do this in order to coordinate the industry's effort in this area.

Insurance reference kits have also

been requested by many national organizations interested in the national debate program. Such requests have come from National Assn. of Manufacturers, American Institute of Banking, American Assn. of University Teachers of Insurance, and numerous hospital and medical societies. So far, the institute has distributed a total of over 8,000 kits to all sources, and requests are still coming in.

As a further aid to debaters in defining special areas of the discussion, the institute released in December a supplementary insurance reference kit which includes:

Fact File Offered

—A fact file for use by debaters, which offers a comprehensive outline of the provisions and financing of medical care in the United States and other countries. It contains cost and spending comparisons on medical care in England, France, Italy, the United States and West Germany.

—Two debate presentations giving the negative side of the question. These presentations, previously tested at leading eastern and midwestern universities, define the terminology of the resolution, give the historic background of the question, and discuss the relationships of government to labor, industry, and medicine within the framework of the free enterprise system.

Sandford Hudson Heads L. A. Group Managers

Los Angeles Group Managers' Assn. has elected Sandford T. Hudson, Continental Assurance, president. Arthur H. Eyles III, Prudential, is vice-president, and Richard C. Mattingly, General American, is secretary-treasurer.

Old Equity Life of Evanston, Ill., held its annual state managers' conference Dec. 10-11 at the Edgewater Beach Hotel, Chicago. Moderated by Orrin M. Neiburger, president, principal speakers were William J. McKenna, vice-president; Julian M. Newman, secretary-treasurer, and David M. Siegel, superintendent of agencies.

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Thrombosis Due To Fright Held To Be Caused By Accident

Using as a starting point the case of Pan-American vs Andrews recently decided by the Texas supreme court, William Lawrence, associate counsel of Massachusetts Mutual Life, discussed at the winter meeting of Assn. of Life Insurance Counsel the factors that may cause an insured's death to be held accidental even though it was caused only by mental shock.

Recovery in the Texas case was allowed on the ground that the insured's mental reaction to the witnessing of a fire in which all his business records were destroyed resulted in the man's death from a cerebral thrombosis about three weeks later. The theory of recovery shown in the court's opinion was that while the witnessing of the fire was voluntary, the resultant psychic reaction and thrombosis were accidental. The policy's requirement that there be a visible wound or contusion was deemed satisfied by the exception as to internal injuries (in this case the thrombosis) revealed by an autopsy.

Discusses Different Rules

The paper discussed initially the several different rules in regard to external accidental means, with illustrations from fact situations deemed to be comparable to some extent to those in which mental shock may give rise to an injury or death. Accordingly, the paper discussed the cases of overexertion resulting in cardio-vascular deaths, also cases involving unexpected reactions to intended medical procedures, and the sunstroke cases.

Under the rules more commonly applied today, recovery is allowed if there is some external slip or mistake in the voluntary procedure. It is believed that most courts would also allow recovery where something that is an accident in common understanding results in a series of events in a chain of causation leading to death. Some of these "chain of causation" cases involve some voluntary acts of exertion or exposure which the courts consider as a natural or reasonable course of conduct causally connected with the initial true accident.

Might Be From Penicillin

The most liberal rule of all permits recovery where the accidental factor is purely internal to the insured (such as an unfavorable reaction to penicillin or anesthesia). In other words, in jurisdictions following this rule, a purely internal accidental result of voluntary procedures is deemed sufficient.

It is the latter and most liberal rule which was applied by the Texas court in the Andrews case, a decision in which that court also decided for the first time in that state that there is no distinction between accidental means and accidental results. If another court were to apply the chain of causation theory to the same kind of fact situation, the question might arise whether the initial burning of business records was an accident which could be deemed to cause injury intended to be compensated under a personal injuries insurance policy. On this issue, reference might be made to the authorities in the tort field where some states still deny recovery where the negligent accident involves no physi-

cal impact upon the body of the plaintiff.

However, plaintiff's counsel may urge a closer analogy to the workmen's compensation cases, since recovery is not predicated upon negligence or fault and there is at least a principle of insurance involved. In the workmen's compensation cases recovery is generally allowed for death or disability arising from mental reactions of fright and shock to industrial accidents, although not involving any physical accident to the person of the particular claimant.

This paper also discussed the split of authority in respect to the application of the wound clause, requiring a visible wound or contusion, subject to certain exceptions. The more conservative cases sometimes speak in terms of a limitation upon the insurance coverage, and deny recovery in the absence of the type of wound which is caused by a physical impact. However this result is premised upon a failure to comply with the usual definitions of wound or contusion, rather than on any express requirement for an impact injury.

Only An 'Evidentiary Requirement'

The more liberal cases look upon the wound clause as simply an evidentiary requirement intended to require positive proof of an actual injury, and determine that the requirement is satisfied by any visible indication on the body of the fact of injury whether or not it is a wound or contusion as those terms are commonly understood.

In respect to the usual exception to the wound clause relating to "internal injuries revealed by an autopsy," the author believes that this exception is not limited to "internal injuries" of the type caused by a physical impact, but also permits such proof by autopsy of any kind of internal injury in a broad sense. Thus this exception may encompass such injuries as a hemorrhage or a heart attack resulting from exertion or mental shock.

Conn. Mutual Calendar Total Now 25 Million

With the publication of its 24th calendar, Connecticut Mutual Life has released more than 25 million reproductions of paintings and water colors by more than 150 contemporary American artists.

Included in the 12 full-color reproductions are works by such outstanding artists as Paul Sample, A. Lassell Ripley and John C. Pellew. Paintings for the calendar have come from important private collections and museums including Metropolitan Museum of Art in New York City, Corcoran Gallery in Washington, the Museum of Modern Art in New York and Chicago Art Institute.

Connecticut Mutual pioneered use of paintings by contemporary American artists in a break away from conventional "calendar art."

Used in homes, offices, and schools, the calendars contain an explanation of each picture, plus a short biography of the artist.

Beneficial Standard Cuts Premiums

Beneficial Standard Life has adopted the 1958 C.S.O. table and is reducing premiums on life policies, effective Jan. 1. Premiums for women will be at the same rate as those for men three years younger. The company will also offer a quantity discount on premiums for each \$1,000 of coverage.

Creating Image Is Good--But It Must Be One That Is Believable

By KENNETH O. FORCE

The following was originally written for the Fire-Casualty Edition of The National Underwriter by its executive editor. It is reproduced here for its applicability to the life insurance business, even though perhaps more pertinent to the property-casualty business than to life.

Image creation, in which the fire and casualty insurance business has begun to show some interest, is almost as old, as about as varied, as the human race itself. There were the wild animals depicted on the walls of caves, faces on sarcophagi, with doctors'

"Tenth anniversary
today, Al.
We sure owe
our reinsurer a
vote of
thanks!"



"I agree, Vic. North American Reassurance has joined in building our assets and 'in force' in so many ways."

"Right—and in some ways you'd never think of."

"Like the way their advice helped stabilize the persistency level of our ordinary life business... and how their advice on policy loans has

turned out to be sound from both the financial and public relations angles."

"More than that—they deserve a lot of credit for the efficiency of our data processing, and the economy of our company car expense and rental procedure."

"And what I like most is their attitude. They're always willing to help, whether from headquarters or their regional offices. They really rate our thanks."

"You bet... they help keep this life company lively!"



Two excellent descriptions of services available from life reinsurers are yours for the asking. One is an article on life reinsurance services in general, by Assistant Vice President Burt D. Dutcher of North American Re, and the other our own booklet outlining the services of North American Re in particular, called "Reinsurance Exclusively." Simply address:

NORTH AMERICAN REASSURANCE COMPANY

161 East 42nd Street, New York 17, New York

Regional Offices

230 North Michigan Ave., Chicago 1, Ill.
1509 Main Street, Dallas 1, Texas
400 Montgomery St., San Francisco 4, Calif.

Reinsurance Exclusively

LIFE • ACCIDENT & SICKNESS • GROUP



masks, idols, and totem poles.

Then came kings with jesters to create an image of jollity for a man who sometimes had to purge the enemies who came to dine, and scopos to write their sagas.

Unquestionably, there is a skill, perhaps even an art, to putting up news that newspapers don't go out after so that newspapers will use it. There is a way of writing bad news so that it is less harmful than it might be.

But there ought to be some honest ground between the sour and splenetically biased innuendos of some newspaper reporters and the denatured treacle of the worst product of the PR mill. And there is. If the issuing organization is reasonably realistic and detached, and if the PR consultant is a good one, much good copy of a constructive nature is published that would otherwise not get to the public—along with the latest destruction by fire or collision, murder by morons, pronouncements by politicians, and statements by statesmen.

For those managements that are perhaps for the first time seriously studying the problems of communicating information about their enterprises to the public, hard work, good intentions, and honest purposes still constitute the alphabet of public relations. Communicating the result of this work, intent, and purpose to the public, over and above and in connection with the product, demands skill and attention. And it is high time the business turned its attention to the matter.

One word of caution: The material has to be believable. The public is more sophisticated than it used to be and it senses quickly when there has been too much denaturing of the facts.

We should like to put in a word for humor as adding a welcome and effective touch of verisimilitude. Remember how few card shops there were before humor took over and skyrocketed sales of printed greetings for all occasions.

Perhaps it should also be pointed out that the creation of an image can be a dangerous thing. We are not speaking here of creating a doll in the likeness of an enemy and running it through with pins. No, what we are talking about is this: Executives throughout the business should know that if they (or someone for them) create a public image of hard work, honest purposes, and a superior product, they are very apt to have to dig in, work hard, and produce a superior product.

Agent Groups Like New Examination Introduced In Pa.

HARRISBURG—The state and national life underwriters associations are enthusiastic about the new multiple-choice agent examination that will gradually supersede the present essay type examination in January. The state association cooperated with the state in working out the pattern. The association's committee believes the new form of examination will:

Enable the department to administer a larger number of examinations with assurance of validity of examination results and equity for all candidates. Increase the breadth of coverage of the examinations.

—Enable the department to administer a larger number of examinations with assurance of validity of examination results and equity for all candidates.

—Increase the breadth of coverage of the examinations.

—Increase the opportunity of candidates to demonstrate their full knowledge of the subject matter area because of the broader coverage of each examination.

—Minimize the "fatigue factor" inherent in the four-hour essay type examination.

—Reduce substantially the work involved in grading, since the scoring of the objective portion may be done by machine.

Following is the directive sent out by Commissioner Smith about the new examination:

"Beginning in January, 1961, the department will introduce multiple-choice items on insurance agents' examinations. The examinations will be composed of multiple-choice items in combination with the essay items which heretofore have comprised our examinations. The number of multiple-choice items presented will be increased at six-month intervals during 1961, until in January, 1962, our examinations will consist entirely of multiple-choice questions.

"Pennsylvania is one of the pioneers in introducing these new type questions in insurance agent qualification examinations. We are embarking on this program only after extensive study and consultations with company representatives, agents, and educators. We believe the public, as well as the insurance companies and prospective agents, will benefit from this program. Since no writing is involved in answering multiple-choice items, many more items can be asked on our examinations. This will increase the breadth of coverage of our examinations, necessitating the applicants to study all

Richard P. Waters Jr., 2nd vice-president in charge of public relations of John Hancock, right, presents one of a series of 10 educational science films to the Rt. Rev. Timothy F. O'Leary, superintendent of schools in the Boston Archdiocese. Looking on is the Rt. Rev. Albert W. Low, assistant superintendent. The color-sound films, "Horizons in Science," produced by the Educational Testing Service of Princeton, N.J., with the assistance of the National Science Foundation, deal with important recent scientific developments. In the past year more than 20 business firms, John Hancock among them, have sponsored the films for use by elementary schools, colleges and civic groups. John Hancock, earlier this year, presented a set of the same films to the Massachusetts department of education.



areas of the insurance fields for which they are to be examined.

"We feel that applicants who pass these new examinations must, of necessity, be more knowledgeable and hence, add to the growing 'professionalism' of the insurance industry. We also feel this program will increase the opportunity of candidates to demonstrate their full knowledge of the subject area, because of the broader coverage of each examination.

Applicants Increase

"Each year the number of applicants taking our examinations has increased until the task of manually grading the papers has become enormous. Multiple-choice items can be machine-graded; therefore, the papers will be graded with absolute uniformity and with greater speed.

"We have prepared a pamphlet to aid applicants taking our examinations. A supply of these pamphlets will be mailed to you the first part of January. We ask that you distribute these pamphlets to the people you are sponsoring for examinations. Additional supplies of these pamphlets may be obtained upon request.

"Any inquiries regarding our new examination program should be addressed to J. C. Younkin, chief, division of agents and brokers."

N. D. Department Loses Prerogative Injunction Try

The controversy between the state insurance department and Blue Cross will not be taken to the North Dakota legislature. The state lost its attempt to have a prerogative injunction issued by the supreme court against Blue Cross. Commissioner Jensen announced he would carry the case to the legislature. He said he hoped the legislature "would take some appropriate action to contain the Blue Cross within its legal rights." He said his powers to approve contracts should be made clear.

Blue Cross placed a new contract in effect Sept. 1 against the wishes of the insurance department. The state sought to have a prerogative injunction issued by the supreme court, but the court refused to take jurisdiction, saying that no question of the people's welfare or of the state's sovereignty was involved just because the wishes of a constitutional officer were not upheld.

Consider Expanding Mich. Medicare System

LANSING—Cost of the federally authorized "medicare" program has proved less than anticipated in Michigan, the first state to pass enabling legislation under the congressional act.

As a result of the moderate expense, Sen. Lloyd A. Stephens, Scottville, chairman of a joint legislature committee studying the program, said during the past week that his group will recommend expanded benefits when the 1961 session convenes.

The program was authorized in Michigan at a special legislative session in September. Since then only 2,596 aged patients have been approved for participation.

Stephens said the existing program could be expanded by adding nursing care at home, utilization of nursing homes after full hospital care for certain cases, and by raising from \$2,000 to \$2,500 the amount of allowable income for a couple in the qualification provision of the law.

Michigan's pioneering participation in the plan is being watched by many other states, Stephens indicated, and "from experience to date we believe the new provisions will not increase state costs but actually will result in long-term savings." Cost for a fiscal year is now estimated at \$10,800,000, with the federal government bearing half of this expense, the state 40% and counties 10%.

Buffalo Blue Cross Rate Boost Approved

The New York department has approved an application of Buffalo Blue Cross for increased rates on its standard subscriber contracts, effective Feb. 1.

The new monthly group rates are \$4.70 for individuals and \$10.15 for families, and direct payment rates are \$8.75 for individuals and \$12.10 for families. The old rates, respectively, are \$3.40, \$8.40, \$6.60 and \$10.15.

The department also approved proposed rates for a new \$50 deductible rider which reduces rates on standard contracts. The rider provides group coverage for individuals at \$6 less per year and for families at \$22.80 less per year than standard rates. On direct payment, it will result in yearly reductions of \$9.60 and \$25.20, respectively.



Your visit to historic Norfolk will be doubly delightful at the sophisticated

hotel Monticello



Superb Southern food, service and attention. Downtown

Mace of Norfolk presented to city in 1753 by Lieut.-Gov. Dinwiddie of Virginia.

\$6 Billion Plus In New Mortgages Held By Life Companies

Over \$6 billion in real estate mortgages were acquired by the nation's life companies in 1960, a 2% increase over 1959 and a larger amount than the total mortgage holdings of the life companies 20 years ago, according to Institute of Life Insurance.

Aggregate mortgage holdings on homes, farms and commercial plant facilities throughout the country, reached a record \$41,750,000,000 at year-end, a gain of 7% in 1960.

About three-fifths of the 1960 mortgage total represents loans on non-farm, one-to-four family homes.

Conventional urban mortgages on homes and commercial properties accounted for \$3,875,000,000 or nearly two-thirds of the mortgages acquired by the life companies in 1960. This was some \$185 million more than 1959 acquisitions. Aggregate holdings of conventional mortgages reached \$22.5 billion at year-end and represented well over half of the total mortgages.

Federal Housing Administration mortgages acquired in 1960 amounted to \$1.4 million, about 11% less than 1959 acquisitions. Holdings of FHA mortgages at the close of the year were \$9.3 billion, the second largest mortgage category with 22% of the aggregate.

Veterans Administration mortgages accounted for \$325 million of the 1960 mortgage acquisitions, 60% more than in 1959. However, the total holdings of VA mortgages decreased 2% in 1960 and amounted to \$6,950,000,000 at year-end, 17% of the mortgage total.

Farm Holdings

Farm mortgage loans totaled \$500 million, the same amount as the previous year. Total farm mortgage holdings at the year's close were \$3 billion, or 7% of mortgage investments.

According to the institute, the outlook for mortgage financing in 1961 is good. The life insurance business should maintain its position as current holder of about one-fifth of the nation's mortgage debt. More capital funds will be available for mortgage financing with the growth being determined by the extent of housing and plant construction in the nation next year.

Gen. American Offers New Pension Program

General American has announced a new Ordinary Life with Auxiliary Fund pension program with substantially increased commissions on pension business.

The program was introduced at the first of a series of pension and profit sharing seminars at St. Louis for agency management personnel who have been active in the pension field. Additional seminars will be held later. Charles E. Fritzsche, director of executive and employee benefit plans, conducted the St. Louis seminar.

In connection with the new pension program, General American has developed a special new ordinary plan, maturing for its cash value at normal retirement age.

The Ordinary Life-Auxiliary Fund offers considerable flexibility to employers. It contains a full range of options, including 'non-refund' and 'five, 10 and 15-years-certain.' The program can be contributory or non-contributory, and may be related to salary, service, or age of employees. Monthly retirement income of as much

as \$20 per \$1,000 of insurance may be obtained for employees under the new program.

A new pension and profit sharing manual was also introduced at the St. Louis seminar.

United Security Life (Ensley, Ala.) Buys Montgomery Insurer

United Security Life of Ensley, Ala., has acquired all the assets of Universal Savings Life of Montgomery. The surviving company will be United Security. Capital and surplus of Universal Savings is about \$100,000.

\$838,000 In Claims Against Mass. Mutual For N.Y.C. Air Crash

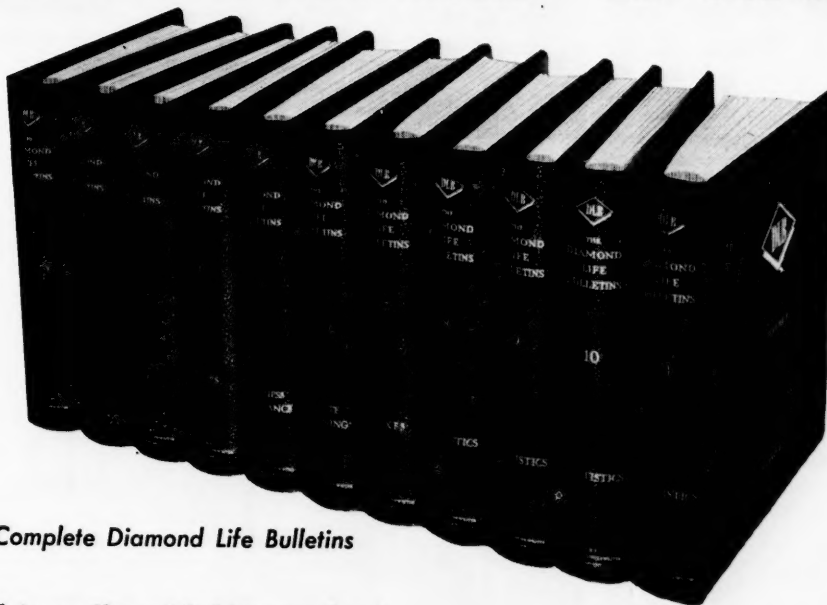
Early reports from Massachusetts Mutual agencies indicate that six of its policyholders were among those reported to have been killed in the mid-air collision of two airliners over New York City on Dec. 16.

The company said that the policyholders involved carried a total of \$838,000 of life coverage. All but two

of the policyholders had taken out their life insurance within the two-year period prior to their death.

The largest amount of coverage was held by a policyholder who had two policies with Massachusetts Mutual. The amount for which the company may be liable under these policies totals \$700,000, believed to be the largest claim originating from an airplane crash in the company's history. One of this insured's policies provided \$500,000 of coverage and was taken out only nine months before the accident.

HOW LEADING LIFE MEN "INSURE" their Own SUCCESS!



Complete Diamond Life Bulletins

YOU could look in our files and find instance after instance where the motivating, boundless source of information and selling power behind many of America's most successful life insurance men and women is the DIAMOND LIFE BULLETINS.

Here are some of their typical comments: "the DLB has been invaluable to all of us in our agency through the years", *Hugh Bell, CLU, Gen'l Agt.* . . . "it's literally worth millions", *Wm. T. Earls, CLU, Life Member MDRT, Gen'l Agt.* . . . "I just wouldn't be without it", *Aaron Goldstein, Life Qualifying MDRT, Mgr.* . . . "it's absolutely indispensable to our agency", *Carr R.*

Purser, Gen'l Agt. . . . "it is as vital to the success of our agency as our telephones", *Earl M. Schwemm, CLU, Agcy. Mgr.*

You, too, can join these successful men, if you will but follow the advice of one of the greatest sages of all time, Benjamin Franklin, who said: "Employ your time in improving yourself by other men's documents, so shall you come easily by what other men have labored hard for." "Insure" your own success . . . take advantage of this Special 30-day Free Trial Offer and send for your DLB . . . today!



THE DIAMOND LIFE BULLETINS

SPECIAL APPROVAL CERTIFICATE

Mail it back today! Start your Service with 30-day FREE TRIAL OFFER!

This CERTIFICATE Completed in Full ENTITLES ENDORSER to THE DIAMOND LIFE BULLETINS for 30 days FREE TRIAL.

If within 30 days after arrival of Service, endorser does not advise otherwise, Monthly Supplements shall be supplied for as long as endorser wishes to keep the Service up to date and useful. Service selected as indicated by check mark (V) in box below, will be "invoiced on approval".

- ☐ Complete 11-Volume Service: \$46.50* first quarter; only \$19 quarterly thereafter.
- ☐ 7-Volume Salesmanship Service: \$25.75* first quarter; only \$8.25 quarterly thereafter.
- ☐ 4-Volume Statistical Service: \$20.75* first quarter; only \$10.75 quarterly thereafter.

*Charged only in first quarter to cover Installation or Physical Cost for New Binders and Contents sent each NEW Subscriber.

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The D. L. B. Has Been Used Continuously by America's Leading Agencies For Almost Half Century!

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Jack Lomas has been promoted to staff manager at Chicago. He has been with the company since 1939.

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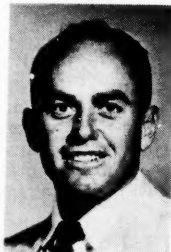
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New Variety Of Accident Hazard: High-Tension Wife

What is a high-tension wife?

This question arose in the review of an application for life insurance recently received at the home office of Massachusetts Mutual.

A policyholder had applied for \$10,000 of life insurance. A question asked on the application form, "When and for what purpose did you last consult a doctor?" elicited this response: "I was painting my house and accidentally touched a high-tension wire. I was seriously burned and required medical attention."

N.J. Agents Win Membership Award

New Jersey Life Underwriters Assn. received from William E. North, president of NALU, a laminated plaque honoring the state association for leadership in NALU's 1959-60 membership campaign in the New York-New Jersey-Connecticut division. New Jersey attained 95.6% of quota with a membership total of 1,698.

Detroit Life Underwriters Assn. at the December meeting had as speaker James E. Rutherford, vice-president Prudential, Chicago regional home office, who talked on "Let's Step Out and Sell."

Carl V. Berger, company, arial since 1942, actuary s has been vice-pres- tuary. He with the departm American Life of I lis and th gan depa

Frank has been a fellow Named A. Bertra sistant v secretaries sistant se Promote associate a ther, Mau Minor an Thomas administr been prom ident and Kenneth tuary, has vice-presic William ministrativ division, b Appointe tors are I tor of the health bur fare divisi Dr. Charle the staff. William bank relat fice, becom

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Equ Elected di mers, senior al counsel Loeb. Mr. Princeton U Bard profes at Columbia Retired a

Home Office Changes

Franklin Life

Carl W. Solenberger, with the company's actuarial department since 1946 and an actuary since 1958, has been named vice-president, actuary. He has been with the actuarial departments of American United Life of Indianapolis and the Michigan department.



Carl W. Solenberger

Metropolitan Life

Frank A. Weck, associate actuary, has been appointed an actuary. He is a fellow of Society of Actuaries.

Named 3rd vice-presidents are John A. Bertrand and Carl H. Huebner, assistant vice-presidents and assistant secretaries, and James E. McGurk, assistant secretary.

Promoted from assistant actuaries to associate actuaries are T. Arnol Crowther, Maurice V. Donovan, Eduard H. Minor and Donald J. van Keuren.

Thomas J. Maconkey, manager of administration of city mortgages, has been promoted to assistant vice-president and assistant secretary.

Kenneth D. Mitchem, assistant actuary, has been appointed assistant vice-president.

William L. Wadleigh, member of administrative personnel in the actuarial division, becomes assistant actuary.

Appointed assistant medical directors are Dr. Melvin M. Udel, director of the safety and occupational health bureau in the health and welfare division, Dr. John B. Cromie and Dr. Charles H. Gray, physicians on the staff.

William W. Doughtney, manager of bank relations in the treasurer's office, becomes assistant treasurer.

New England Life

J. W. Pearson has been appointed agency pension consultant. He has been manager of John Hancock's group regional office at Miami, assistant director of the home office group pension operation and manager of the New York City pension office.

No. American Life, Chicago

Robert E. Finley has been named agency assistant. After graduating from college last year he became the company's leading salesman in the western Wisconsin agency.

Great Southern Life

Marck R. Ball has been named to the newly created position of agency development director. He has been general manager of New York Life in Houston.

Union Mutual Life

D. G. Stanley has been appointed director of personnel. He has been supervisor of personnel for Sylvania Electric Products at Needham, Mass.

Equitable Society

Elected directors are Davidson Sommers, senior vice-president and general counsel, R. F. Goheen and R. F. Loeb. Mr. Goheen is president of Princeton University and Mr. Loeb is Bard professor of medicine emeritus at Columbia.

Retired as directors are F. B. St.

John, professor emeritus of the college of physicians and surgeons of Columbia University; J. C. Knox, chief judge (retired), U. S. district court, and Samuel Welldon, former chairman of First National Bank of New York.

Massachusetts Mutual Life

P. S. Palmer, a member of the home office staff for the past 12 years, has been named manager of group administration for the group department. He became assistant manager of that department in 1956 and in 1958 was placed in charge of the newly-formed group new issue division, but returned to group administration a year ago.

C. W. Brierley has retired as 2nd vice-president in charge of the comptroller's, general accounting and general auditing departments. He is a fellow of Life Office Management Assn.

H. G. Lundberg, associate comptroller, has been named accounting secretary and a senior officer; R. D. Gourlie, general auditor, has been appointed head of the general auditing department, and A. C. Talmadge, comptroller in the general auditing department, becomes head of that department.

R. H. Durick, manager of the benefit department, has been appointed an assistant secretary, and T. K. Malysz, assistant manager of the benefit department, has been appointed to succeed Mr. Durick.

H. C. Blakeman and Norwood Cox, assistant counsels since 1955, have been appointed associate counsels in the law department. Mr. Cox is a CLU.

E. J. Stephens, director of training and advanced underwriting, has been given senior officer status. He was in the real estate and policy departments before joining the agency department in 1948, and since then has been agency assistant, manager of pension trust sales and superintendent of advanced underwriting sales. He is president of the Springfield CLU chapter.

Pan-American Life

R. R. Brin, assistant group underwriter, has been named manager of group sales and services for Latin America, and Norris Fitzmorris, supervisor, group claims, has been named to assist the director of group administration.

Knights Life

Bernard E. Wilson, formerly vice-president and agency director of Appalachian National Life, has been appointed vice-president and ordinary agency director.

Volunteer State Life

Angelo Ferguson has been named assistant vice-president and agencies superintendent.

OLD AMERICAN of Kansas City has appointed Martin Baier to the newly created position of director of product and market research and development.

WESTERN RESERVE of Cleveland has promoted Lyman H. Treadway III to executive vice-president and secretary. He has been vice-president.

Equitable Assets \$10 Billion

Assets of Equitable Society have reached \$10 billion. Equitable passed \$1 billion in assets in 1928 and reached \$5 billion in 1949.

354,157 Shares Offered To American Heritage Holders

American Heritage Life is offering 354,157 shares of common stock at \$6.50 per share to its stockholders of record Dec. 1. Stockholders may purchase one share of the new stock for each eight shares held.

Proceeds of the sale will be used to pay a short term debt amounting to \$1,486,867, incurred in October, when American Heritage purchased stock of Acme United Life and effected a merger of the two companies. The balance of the proceeds is earmarked for investment.

American Heritage has 2,833,256 shares of \$1 par stock outstanding, which includes 92,819 shares issued at the time of the Acme United merger.

Record Year For Western Life

November sales of Western Life of St. Paul brought the year-to-date volume of paid business to \$104,827,803, the first time Western producers paid for more than \$100 million within a year. November volume amounted to \$9,892,183, an increase of \$2¼ million

over November, 1959. This brought the total increase for 11 months to \$23,468,072.

Federal Security, Tower Of San Antonio In Merger

Federal Security Life has merged with Tower Life, formerly known as Citizens Republic Life. Both companies are in San Antonio. R. L. Gulley, president of Federal Security, will become underwriting vice-president of Tower Life, and R. L. Gulley Jr. will be vice-president of agencies.

Formed in 1955, Tower is headed by President Forbes Wood and Executive vice-president James P. Zachry. At the end of 1959, it had assets of \$1,660,602 and insurance in force of \$6,239,456.

St. Louis Actuaries Elect

James C. McIntyre, General American Life, has been elected chairman of St. Louis Actuaries' Club. George B. Kyle, Nelson & Warren, is the new vice-chairman, and James D. Reeder, State National Life, secretary-treasurer.



house of original ideas

The pride a Bankerslifeman feels in the company he represents stems in very large measure from the reputation his company has earned over the years for the introduction of really original ideas in the life insurance business. He is proud to say he was the first to carry the now popular *Guaranteed Purchase Option*, the *Cradle Protection* plan and the *Wife Protection Rider* in his brief case. Carefully chosen and thoroughly trained, the typical Bankerslifeman has service as his watchword. This means that his professional presentation of the new ideas from his company will see to it that his clientele gets optimum benefits from "The Company That Fits The Need."

BANKERS *Life* **COMPANY**
DES MOINES, IOWA

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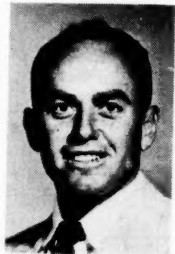
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Certificates of graduation were presented to the 18 men who completed the course by President Raymond H. Belknap at a dinner and reception. At the closing session, the class was split into two teams for a competitive sales campaign that will run throughout December.

New Variety Of Accident Hazard: High-Tension Wife

What is a high-tension wife? This question arose in the review of an application for life insurance recently received at the home office of Massachusetts Mutual.

A policyholder had applied for \$10,000 of life insurance. A question asked on the application form, "When and for what purpose did you last consult a doctor?" elicited this response: "I was painting my house and accidentally touched a high-tension wife. I was seriously burned and required medical attention."

N.J. Agents Win Membership Award

New Jersey Life Underwriters Assn. received from William E. North, president of NALU, a laminated plaque honoring the state association for leadership in NALU's 1959-60 membership campaign in the New York-New Jersey-Connecticut division. New Jersey attained 95.6% of quota with a membership total of 1,698.

Detroit Life Underwriters Assn. at the December meeting had as speaker James E. Rutherford, vice-president Prudential, Chicago regional home office, who talked on "Let's Step Out and Sell."

Carl W. Berger, w company's arial dep since 1946 actuary sin has been r vice-presi tuary. He k with the a departm American Life of Inc lis and the gan depart

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Home Office Changes

Franklin Life

Carl W. Solenberger, with the company's actuarial department since 1946 and an actuary since 1958, has been named vice-president, actuary. He has been with the actuarial departments of American United Life of Indianapolis and the Michigan department.



Carl W. Solenberger

John, professor emeritus of the college of physicians and surgeons of Columbia University; J. C. Knox, chief judge (retired), U. S. district court, and Samuel Welldon, former chairman of First National Bank of New York.

Massachusetts Mutual Life

P. S. Palmer, a member of the home office staff for the past 12 years, has been named manager of group administration for the group department. He became assistant manager of that department in 1956 and in 1958 was placed in charge of the newly-formed group new issue division, but returned to group administration a year ago.

C. W. Brierley has retired as 2nd vice-president in charge of the comptroller's, general accounting and general auditing departments. He is a fellow of Life Office Management Assn.

H. G. Lundberg, associate comptroller, has been named accounting secretary and a senior officer; R. D. Gourlie, general auditor, has been appointed head of the general auditing department, and A. C. Talmadge, comptroller in the general auditing department, becomes head of that department.

R. H. Durick, manager of the benefit department, has been appointed an assistant secretary, and T. K. Malysz, assistant manager of the benefit department, has been appointed to succeed Mr. Durick.

H. C. Blakeman and Norwood Cox, assistant counsels since 1955, have been appointed associate counsels in the law department. Mr. Cox is a CLU.

E. J. Stephens, director of training and advanced underwriting, has been given senior officer status. He was in the real estate and policy departments before joining the agency department in 1948, and since then has been agency assistant, manager of pension trust sales and superintendent of advanced underwriting sales. He is president of the Springfield CLU chapter.

Metropolitan Life

Frank A. Weck, associate actuary, has been appointed an actuary. He is a fellow of Society of Actuaries.

Named 3rd vice-presidents are John A. Bertrand and Carl H. Huebner, assistant vice-presidents and assistant secretaries, and James E. McGurk, assistant secretary.

Promoted from assistant actuaries to associate actuaries are T. Arnol Crowther, Maurice V. Donovan, Eduard H. Minor and Donald J. van Keuren.

Thomas J. Maconkey, manager of administration of city mortgages, has been promoted to assistant vice-president and assistant secretary.

Kenneth D. Mitchem, assistant actuary, has been appointed assistant vice-president.

William L. Wadleigh, member of administrative personnel in the actuarial division, becomes assistant actuary.

Appointed assistant medical directors are Dr. Melvin M. Udel, director of the safety and occupational health bureau in the health and welfare division, Dr. John B. Cromie and Dr. Charles H. Gray, physicians on the staff.

William W. Douthney, manager of bank relations in the treasurer's office, becomes assistant treasurer.

New England Life

J. W. Pearson has been appointed agency pension consultant. He has been manager of John Hancock's group regional office at Miami, assistant director of the home office group pension operation and manager of the New York City pension office.

No. American Life, Chicago

Robert E. Finley has been named agency assistant. After graduating from college last year he became the company's leading salesman in the western Wisconsin agency.

Great Southern Life

Marck R. Ball has been named to the newly created position of agency development director. He has been general manager of New York Life in Houston.

Union Mutual Life

D. G. Stanley has been appointed director of personnel. He has been supervisor of personnel for Sylvania Electric Products at Needham, Mass.

Equitable Society

Elected directors are Davidson Sommers, senior vice-president and general counsel, R. F. Goheen and R. F. Loeb. Mr. Goheen is president of Princeton University and Mr. Loeb is Bard professor of medicine emeritus at Columbia.

Retired as directors are F. B. St.

354,157 Shares Offered To American Heritage Holders

American Heritage Life is offering 354,157 shares of common stock at \$6.50 per share to its stockholders of record Dec. 1. Stockholders may purchase one share of the new stock for each eight shares held.

Proceeds of the sale will be used to pay a short term debt amounting to \$1,486,867, incurred in October, when American Heritage purchased stock of Acme United Life and effected a merger of the two companies. The balance of the proceeds is earmarked for investment.

American Heritage has 2,833,256 shares of \$1 par stock outstanding, which includes 92,819 shares issued at the time of the Acme United merger.

Record Year For Western Life

November sales of Western Life of St. Paul brought the year-to-date volume of paid business to \$104,827,803, the first time Western producers paid for more than \$100 million within a year. November volume amounted to \$9,892,183, an increase of \$2¼ million

over November, 1959. This brought the total increase for 11 months to \$23,-468,072.

Federal Security, Tower Of San Antonio In Merger

Federal Security Life has merged with Tower Life, formerly known as Citizens Republic Life. Both companies are in San Antonio. R. L. Gulley, president of Federal Security, will become underwriting vice-president of Tower Life, and R. L. Gulley Jr. will be vice-president of agencies.

Formed in 1955, Tower is headed by President Forbes Wood and Executive vice-president James P. Zachry. At the end of 1959, it had assets of \$1,660,-602 and insurance in force of \$6,239,-456.

St. Louis Actuaries Elect

James C. McIntyre, General American Life, has been elected chairman of St. Louis Actuaries' Club. George B. Kyle, Nelson & Warren, is the new vice-chairman, and James D. Reeder, State National Life, secretary-treasurer.



house of original ideas

The pride a Bankerslifeman feels in the company he represents stems in very large measure from the reputation his company has earned over the years for the introduction of really original ideas in the life insurance business. He is proud to say he was the first to carry the now popular *Guaranteed Purchase Option*, the *Cradle Protection* plan and the *Wife Protection Rider* in his brief case. Carefully chosen and thoroughly trained, the typical Bankerslifeman has service as his watchword. This means that his professional presentation of the new ideas from his company will see to it that his clientele gets optimum benefits from "The Company That Fits The Need."

BANKERS Life COMPANY
DES MOINES, IOWA

Editorial Comment

Are Small Policyholders Penalized?

New York City members of Life Insurance Advertisers Assn. were asked at their December meeting by a critic of premium gradation by size of policy, "Do you think it is morally justifiable to ask the small policyholder to share in the cost of advertising a policy that may be adverse to his interests?"

Nobody ventured an answer, even when later needed during the question-and-answer period by the asker, Halsey D. Josephson, general agent of Connecticut Mutual in New York and co-editor of Probe fortnightly.

With the benefit of 20/20 hindsight, it's easy to see that the right answer would be something like, "No, of course not—but have you any evidence that any company is advertising graded premium policies that are adverse to the small policyholder's interests?"

This would have been a safe comeback, for by the time the question-and-answer period was reached it was of course obvious that Mr. Josephson had no such evidence, or he would have already offered it. In fact, if he had even tried to obtain facts and figures on this point from home offices and been rebuffed, it's safe to say he'd have mentioned this interesting circumstance to his New York audience.

Nevertheless, Mr. Josephson has sufficient stature in the business so that his insinuations can't be dismissed as proposterous. So let's consider for a moment the situation that must exist if what he implies is correct:

1. The saddling of an unwarranted share of costs on small policies is going on quite generally among companies that advertise graded premium policies. This necessarily means companies constituting a large segment of the business. Small companies don't have the money for extensive advertising, nor are they the companies against whose sales of graded premium plans Mr. Josephson has spoken out in the past.

2. Advertisers of graded premium policies are distorting their cost allocations unfairly against the smaller policies—so much so that every graded premium policy these companies sell serves to boost the over-all net cost

of the ungraded plans.

Consider what this involves: Where costs are allocated against each size category of policies with complete fairness, then if advertising serves to sell nothing but graded premium plans, it would still benefit the small policies along with the big ones, because the greater the total number of new policies, the greater the base over which to spread the various cost items, such as executive salaries, that do not rise with additional business.

This point, incidentally, was evidently overlooked by Mr. Josephson when he asked his audience, "Do you think it is right to ask anyone but the buyers of the bargain policies to pay for the promotion of these policies?" If costs are correctly allocated, the sale of graded premium business helps all policyholders, and all should share equitably in the expense of promoting it.

Since all policyholders benefit by additional business, provided cost allocations are accurate, then Mr. Josephson's implications can only mean that companies must be so violently dis-

torting their cost allocations against smaller policies as to more than offset the normal favorable effect due to having a bigger base over which to spread expenses. But even if companies wanted to do this, does it seem likely that insurance department examiners would fail to spot such monkey-business?

Mr. Josephson's antipathy against premium gradation by size is well known, for he misses no opportunity to voice it. There is no harm in his hating it, but that is no excuse for his implying that company managements are guilty of practices that are not only unproved but, on their face, wildly improbable.—R.B.M.

Deaths

BURTON R. BAYS, 82, chairman of Olympic National Life of Seattle and organizer of a number of life companies, died at Temple City, Cal., following a short illness. He began his career as an examiner with the Nebraska insurance department, and in 1919 he helped organize Liberty Life of Topeka, serving as secretary-treasurer. He returned to Nebraska in 1923 to form Service Life of Lincoln, which he headed for 10 years. In 1934, Mr. Bays founded Olympic Mutual, which was reorganized as a stock company under the name of Olympic National in 1940. He was president of the company for 10 years until he became chairman in 1944. He organized also Nebraska National Life in 1946, serving as president until 1953.

JAMES S. GREGOR, 57, proposals manager of the group division of Republic National, died. He began in insurance in 1928 with Confederation Life of Toronto, and in 1951 he joined Republic National's group sales force. He served as regional group manager at Oklahoma City before going with the home office group division.

Personals

R. McAllister Lloyd, chairman of Teachers Insurance & Annuity and College Retirement Equities Fund, has received a citation for leadership in education from the alumni association of the Westminster School, Simsbury, Conn. The citation reads, "For his leadership in contributing to the economic security of the teaching profession, and for his devoted service to governmental, humanitarian and historical institutions, to the honor of his school."

Plaques For Charter Builders Installed In NALU's Headquarters

WASHINGTON, D. C.—Installation of the largest grouping of solid cast bronze plaques in the District of Columbia and one of the largest in the United States was completed here in NALU's headquarters building.

The 11 plaques, each weighing 425 pounds and measuring 37 inches by 84 inches, feature the names of 5,300 persons who contributed \$100 or more to the NALU memorial building fund campaign. All 50 states, the District of Columbia, and Puerto Rico are represented in the alphabetical-by-state listing of names.

In addition to the 11 charter builder plaques in the lobby of the NALU building, there is an "In Memoriam" plaque that currently contains the names of some 200 persons in whose honor contributions have been made to the NALU building fund. Bronze plaques containing an alphabetical listing of "builders"—additional donors of \$100 or more—will ultimately be placed in the inside lobby of the building.

The plaques are hung on 1/4-inch steel beams built into the walls of the NALU lobby.

Southern Life & Surety, Tenn. Valley Life Merger Approved By Stockholders

Stockholders of Southern Life & Surety, Jackson, Miss., and Tennessee Valley Life, Jackson, Tenn., have approved a merger of the companies through an exchange of 53 shares of Tennessee Valley Life stock for 100 Southern Life & Surety.

The resulting company will have \$100 million in force and \$5 million in assets. The home office will be in Jackson, Tenn., but Southern Life & Surety will be run as a subsidiary in Jackson, Miss.

November sales of Peoples-Home Life increased 228% over November 1959.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co.
135 S. La Salle St., Chicago, Dec. 27, 1960

	Bid	Asked
Aetna Life	91½	93
American General	30½	31½
Beneficial Standard	14½	15½
Business Men's Assurance	41½	43
Cal-Western States	48	50
Commonwealth Life	20½	21½
Connecticut General	401	407
Continental Assurance	185	190
Franklin Life	77	79
Great Southern Life	68	70
Gulf Life	18½	19½
Jefferson Standard	39	40
Liberty National Life	59½	62
Life & Casualty	15½	16½
Life of Virginia	52	54
Lincoln National Life	234	240
National L. & A.	108	110
North American, Ill.	14½	15½
Ohio State Life	40	42
Old Line Life	60	63
Old Republic Life	18½	20
Republic National Life	33½	34½
Southland Life	85	87
Southwestern Life	53	55
Travelers	91	92
United, Ill.	32½	33½
U. S. Life	42	43
Washington National	44	46
Wisconsin National Life	28½	29½

Protests Rate Of Exchange In American Public Merger With First United Life

H. W. McKinney, Indianapolis securities dealer who specializes in insurance stocks, is protesting the rate of exchange proposed in the merger agreement of American Public Life of Indianapolis with First United Life of Gary.

At a hearing before Indiana Securities Commission Dec. 9, the registration statement showed the book value of First United to be approximately \$1.73 a share, and testimony indicated American Public is worth about \$2.24 a share, Mr. McKinney notes. The merger agreement calls for an exchange at the rate of two American Public for one First United. This is "not equitable," Mr. McKinney says. He believes the exchange should be at the rate of two American Public for 3½ First United. The merger "should not be approved as it is now set up," Mr. McKinney states.

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Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT
Cartwright, Vallean & Co., Board of Trade Building, Chicago

It continued to be mainly a one-way street for insurance stocks through last Friday. Institutional buying was insistent and the market for the issues in which this was concentrated was exhilarating. Continental Insurance went through its year's high and into new all-time high ground. It reached 59½ before some realizing set in and it lost two points. St. Paul was up 2, Connecticut General got back into the 400 range, Hartford Fire was strong, Great American touched 50, Franklin Life hit 80 again and Great American Life Underwriters, which holds a very large parcel of Franklin, reached 780 bid, up 50 points on the week. Continental Assurance raced on, approaching 190 and well into all-time high ground. Continental Casualty also continued to soar and was trying for 90.

Shelby Cullom Davis & Co. came out with a strong recommendation of four companies—Business Men's Assurance, Continental Assurance, Franklin and United Services Life. BMA was up about 2. United Services at 61 was 6 points above its recent range. Northwestern Insurance, the reinsurance company (at one time the U. S. branch of Russia of Petrograd), owns 45,000 shares of United Services. There are 300,000 shares of Northeastern, so behind each share of the latter is about \$9 of market value of United Services. Northeastern at Dec. 31, 1959 had a liquidating value of 30 and book value of 20 (this was on the basis of \$50 market value of United Services). It has been selling at about \$13 or a discount of 57% from liquidating value.

The Murchison issues were strong. Life Companies, Inc., which owns Atlantic Life, got up to 14. Gulf Life and Life & Casualty were considerably higher along with intimations of a possible alliance. Lamar Life of the Murchison chain was a trifle lower, though.

New Amsterdam Casualty reached 63½ bid. Indications are that the Clayton Gengras interests will take all the NAC stock that is tendered with proxies to the Franklin National Bank.

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Insuranceshares Certificates, Inc., the closed end investment trust on the N. Y. Stock Exchange, heavily invested in Hartford and North America, on trades of only 300 shares moved up 4½ points to 35½, an all-time high.

Fireman's Fund easily absorbed a special offering of 16,000 shares at 53¾ and went on up to 54½ bid.

Standard Accident became stabilized after its on and off conversations with Fireman's Fund, at about 48.

Travelers and Aetna Life were in good demand in the early 90s and the latter attained a one point lead over the former, thus reversing the recent relativity. Travelers not so long ago was 8 points over AEL.

Lincoln National ran into sellers, including a liquidating order by a New York bank, and fell back to 235 from a recent high of 255. Jefferson Standard was heavy.

Southland Life which had just recently absorbed a large selling order at 80 came into favor and was 84 bid with no stock offered. This one had been under pressure for some time due to doubts about the earnings prospects for its handsome new home office building. But this is already 95% rented. Southland's sales are up 27% this year and premium income up 19%.

Southwestern Life was strong. Monumental Life has been working higher. So has Mass. Indemnity.

The market was ignoring underwriting problems and adversities. Donna was forgotten. The airplane disaster and recent very extensive ocean marine losses were brushed aside, along with contract bond deficits and auto liability miseries. The severe cold wave over much of the country bred lots of fire loss. Much of this may be swept under the carpet for the January account, due to the fact that most books are closed in advance of the year end.

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The death of Harry Yates recalls that he was some 25 years ago the victim of the worst kind of a gaffe that a newspaper can commit. His obituary appeared in the N. Y. Journal of Commerce whilst he was entirely of this world.

Si Banks, who was then Philadelphia correspondent for the insurance journals, ran into an insurance man who mentioned that his associate was on a trip to Texas and that a man with him had died. Somehow or other this informant had the idea that the deceased was Harry Yates. Banks wired this to the Journal of Commerce. W. S. Crawford, the venerable and eminent insurance editor, was about to leave for the day, but stayed on to fix up an obituary notice befitting Mr. Yates' importance in the insurance world. Mr. Yates was exceptionally popular and he had just a few years previously gone on, from the Aetna, with John M. Thomas to recondition the National Union after a shakeup of the Cole-Stewart Hopps administration there. Harry Yates was shaken by this report and Mr. Crawford was lobster red for a long time in embarrassment and anger at Si Banks.

Over \$500 Million In Credit Life Benefits During Five-Year Span

More than \$500 million was paid by life companies in the past five years to satisfy lenders' claims on the estates of credit life policyholders who have died, according to Institute of Life Insurance. In 1960, alone, payments are expected to exceed \$125 million, representing amounts due on installment purchases or personal loans.

At the start of this year, there was \$26.7 billion in credit and loan value insured under 39.4 million credit life policies and group certificates in the U.S. This is about two and one-half times more than the amount in force and nearly double the number outstanding five years earlier. It is estimated that the amount in force may pass the \$30 billion mark this year.

Lutheran Brotherhood showed an increase of 15.4% in November business compared with last year.

IRS Moves Against Favored Tax Shelter For Charitable Gifts

NEW YORK—A heretofore successfully employed device for making gifts to charitable and educational endowments more attractive from a tax-saving standpoint "may well have been struck a mortal blow," according to James C. Wiggins, assistant counsel of Mutual Benefit Life, writing in the December issue of Estate Planners Quarterly.

Mr. Wiggins pointed out that Internal Revenue Service in its technical information release No. 273 has announced that subsequent to Dec. 2, 1960, a donor who makes a gift to a charity as trustee, subject to sale and investment in tax-exempt securities, with a retention by the donor of a lifetime interest, will be taxable on the difference between his basis and the sales price. This was embodied also in revenue ruling 60-370 of Dec. 5.

Mr. Wiggins article, intended for the layman reader, covers "The Who, What and Why of Estate Planning."

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1953	29,675,468

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Home Office Miami 32, Florida



Says Big Marketing Aims Are To Build Agent's Advisory Ability

(CONTINUED FROM PAGE 6) super-drugstores and with more and more self-service stores of every kind (even variety chains, such as Woolworth's) there is almost a complete absence of any personal selling.

Product manufacturers seek to induce the public to select their particular product through advertising, through packaging, point-of-sales displays and promotion, price concessions and the like.

Admits Their Importance

I was reminded of this earlier this month at a New York Sales Executives Club meeting, the chief officers of five different product manufacturers joined together on a panel to tell what they expected to do to boost sales in 1961. The products were tobacco, liquor, food, autos and proprietary drugs. The names of these products are brands well known to every American.

These product people frankly admitted that there was comparatively little they could do to boost the existing demand for their product; their great problem is to try to influence the purchaser to select their particular brand at the point of sale.

Stubborn About Changing

For example, consider the man who smokes cigarettes. No one has to persuade him to buy them. He buys them on his own initiative and as a matter of habit. This the tobacco companies like. However, there is another side of the coin they don't like. It is very difficult for them to influence a smoker of another brand to change to theirs.

When a man goes into a cigar store and asks for a pack of Kents, the sales clerk gives him Kents without trying to switch him to a different brand.

Whiskies Pretty Much Alike

In the same way, the liquor executive agreed that most whiskies are pretty much alike, and no clerk in a liquor store is going to try very hard to push one brand at the expense of another.

So, summing up thus far, most products enjoy a constant demand, with the buyer initiating the sale, but with the manufacturer almost helpless, at the point of sale, to influence the buyer to select his brand instead of a competitor's.

Now let's look a moment at life insurance and how it is sold. Let's start with fact No. 1: "Life insurance is sold—not bought! In fact, there is no demand for life insurance, at least in the ordinary sense of the word.

Let me illustrate: If every life insurance agent in America, starting tomorrow, took a three months' vacation, we wouldn't sell enough life insurance in the next three months to pay for the ink or the applications we would not use. Our agents create the demand for life insurance. When they stop creating, we stop selling.

When a man is hungry, he buys food; when he needs clothes or shelter or transportation, he buys a suit or rents a house or purchases a car. Years ago he acquired the coffee-in-the-morning habit, or the cocktails-before-dinner habit, or the cigarette habit, and it's only a question of what brand he will buy.

The consumer must be pre-sold—pre-disposed towards one brand over all others by sales promotion and advertising—before he gives his order to the order-taker.

Agents Create The Demand

But life insurance has always been different. Our agents create the demand in person-to-person interviews.

Since no one (who can buy life insurance) really thinks he will ever die, or be old and penniless, our prospect feels no immediate need for the benefits of life insurance. To make the sale even more difficult, others say to our prospect, "Enjoy now and pay later." But we have to say to him, "Pay now and enjoy later." It is only when an agent makes a prospect feel the immediacy of this need that a demand is created and he becomes a buyer of life insurance. We create our own demand!

Wait To Be Asked

To sum it up, in our business nothing ever happens until a salesman makes a person-to-person, face-to-face contact with a prospective purchaser and asks him to buy. Customers seldom walk in—and when they occasionally do they usually have an electrocardiogram that looks like a seismograph tracing of a California earthquake—and you know what happens to these buyers when our home office underwriting department finishes with them!

F. A. Wickett, my first boss in this business, used to say to me, "There are just three things in this life people won't do unless somebody personally takes them by the hand and leads them into it: one, make a will, two, join the church and three, buy life insurance."

That's why so many people die intestate. That's why we have religious missionaries and revivalists; and that's

why the personal services of the life underwriter are indispensable in the marketing of life insurance.

Now let's go to fact No. 2. This is a corollary and follows from fact No. 1 as a natural consequence. And here it is: "Life insurance companies do not sell life insurance—only life insurance agents sell life insurance!"

When you read some of the advertisements and sales literature of life insurance companies you might think people could be persuaded by the printed word alone to come to our home offices and agency offices and make application.

Was Tried—But It Failed

I would like to pause here a moment and remind you that all this was tried in the early, formative years of our business—and at periodic intervals ever since—always with the same complete lack of success. Many times during the past hundred years have life insurance companies tried to sell life insurance without personal salesmen and always without any real success.

Which brings us to fact No. 3. "It is the service of the agent that needs to be sold to the public, not the product, or the prestige of the company." No one is interested in our policies, per se, but only in what they will do. And, of course, the life insurance companies of America have great prestige in the eyes of the public.

Today's Agent Far Superior

But how about the agent? He is far superior to his counterpart of 25 years ago or of even 10 years ago. He has been more carefully selected, infinitely better trained and is doing an excellent job of protecting the families and business of the United States and Canada.

Today many life underwriters have become trusted consultants on family financial problems, experts on business continuance problems, respected advisers on employment benefit programs.

Generally, the agents today are well prepared to render a valuable service to their policyholders and clients which can be obtained nowhere else.

Most Agents Doing Good Job

Of course, I don't mean to say that every last agent is doing a magnificent job, but by and large I do think the career life underwriter of today is a dedicated and well-trained man. Some 75,000 of them have completed one or more parts of LUTC and 35,000 of them have completed one or more parts of CLU, in fact, many of you have taught CLU classes and have made a major contribution to this fine educational program.

Someone years ago defined a good public relations program as 90% doing a good job and 10% getting credit for it. Personally, I think the life underwriter today is doing a good job but I do not think he is always getting proper credit for it.

Made Progress On Status

On the other hand, I am sure we have made some progress in improving the status of the life insurance salesman in the eyes of the public.

For example, in a major address before the New York Sales Executives Club, Jack Minor, marketing director of Plymouth, recently stated that the life insurance companies were doing a much better job than the automobile companies in attracting high grade college men into their sales ranks.

Mr. Minor congratulated the life companies on the outstanding job we are doing through training and educational activities, such as CLU, to give our salesmen professional status in the eyes of the public.

Despite Mr. Minor's complimentary remarks, the battle is far from won.

Life underwriters are the only group of people in America who are calling on people in their homes and offices and shops to help them with their financial problems. Banks are not doing it. Savings and loan companies are not doing it. Trust officers and lawyers can't do it under their code of ethics.

The life underwriter of today is the only one in the community who is trained and skilled as a family financial consultant and is going to people with this service. But his unusual and valuable services need to be sold to the public.

Well, what have we said?

In marketing products for which there is a constant demand we see less and less personal selling and more self-service. Even when you still have sales clerks in stores, they are usually just order-takers. They seldom try to switch customers from one brand to another. The manufacturer can do very little, at the point of sale, to influence buyers to select his product, rather than a competitor's.

Marketing life insurance is quite different. There is no life insurance sold until a personal contact is made by an agent. The companies enjoy great public acceptance. The agent of today is almost unique in his ability to help families and individuals solve their financial problems. The best way for companies to promote sales is to motivate buyers to want to get together with agents.

Like Selling Ethical Drugs

In conclusion, it seems to me there is some sort of parallel here with the marketing problems of the ethical drug industry. Squibb and Upjohn and Parke-Davis have used much of their advertising and sales promotion in past years to sell the public on the services of their family physician because they know the only way they can sell their antibiotics and prescription drugs is to encourage people to go to their family physicians when ill. Then the physicians, based on their training and skills, will prescribe the proper drugs and sales will be made.

Isn't there a great similarity here to our problems of distribution?

The life insurance companies manufacture the policies in hundreds of sizes and shapes. The agent is a trained specialist in life insurance services. The agent prescribes for the buyer the right combination of policies and settlement options so that the buyer and settlement options so that the buyer and his family receive maximum benefits from their purchases. No sale is made by the company until the agent and the buyer get together—just as no ethical drug sale is made until the physician and the patient get together and the physician prescribes.

The marketing of ethical drugs and proprietary drugs (such as toothpaste, shaving cream and the rest) is as different as the marketing of life insurance and the average tangible product.

It seems to me that as life insurance marketing executives we have two big marketing objectives:

1. Educating and training our salesmen to the point where they are fully capable of counseling individuals and business owners regarding their financial problems and offering them sound solutions and;

2. Educating the public through advertising, sales promotion and example on the desirability of using the services of these salesmen.

Certainly these problems of ours are vastly different than those involved in marketing a tangible product.



Raymond H. Belknap, president of United States Life, discusses with Major George Bissel of the Salvation Army the distribution of over 200 toys donated to the army by United States Life employees. The Salvation Army collects new toys to put under trees at their Christmas parties for children in hospital wards, foster homes, and other

groups connected with the organization. Most of these toys come from Christmas projects such as United States Life's annual toy drive.

Gives Five Conditions In Deferred-Pay Plan

(CONTINUED FROM PAGE 4)

it is too expensive and will not do the job for the top executives, he may be knocking himself out of a sale of substantial amounts of life insurance to help fund a qualified plan.

2. The employee for whose benefit deferred compensation is being considered must have a present level of compensation that is adequate for his needs.

Deferred compensation is not for the young executive with a growing family who still needs as many dollars as he can get for current living costs, for savings for his children's college expenses, etc. Ideally, the prospect for deferred compensation is the mature executive at a high level of income with his heavy family responsibilities behind him—a man who is more concerned about the effects of high income taxes on his ability to save and invest adequately for his retirement years than he is about maintaining a high standard of living presently.

Must Go From High To Low

3. The executive must both be in a high tax bracket now and expect to be in a substantially lower tax bracket after retirement.

Why? Because the primary purpose of deferred compensation is to give the highly compensated employee tax relief. Since the payments, when received by the employee, are taxed at ordinary income rates, little, if anything, is gained by deferring taxable income if the employee's tax bracket is not substantially lower when payments are made.

4. The employee must have confidence in the employer's ability to pay the promised benefits.

It should be remembered that deferred compensation must be an unsecured promise on the part of the employer to make payments. If any attempt is made to secure the promise by means of a trust, escrow delivery or any other such device, then there is danger either that the employee will be taxed immediately on such payments, or that the employer will lose its income tax deduction for all time.

All Depends On Employer

Thus, the security for deferred compensation rests solely on the ability of the employer to come through with the payments when the time comes. If the employer goes bankrupt before the employee has collected all his payments, then the best position the employee has is that of a general creditor—and he would have that position only as to payments that were non-forfeitable when bankruptcy occurred.

This means, then, that deferred compensation is not for the immature company. The employer must be well enough established and strong enough financially that it can fund the promised benefits properly and thus give the employee reasonable assurance that it will be able to perform on its promises.

Utmost Good Faith Needed

5. The utmost good faith should exist between the employer and the employee.

The deferred compensation agreement is a highly personal and individual contract. Its effectiveness depends in large measure on the willingness of both parties to live up to the spirit of the agreement as well as its letter. The

employer must have faith that the employee will not feel his position so secure that he will lie down on the job.

The employee, on the other hand, must have faith in the good intentions of the employer, that the employer will not, toward the end of the employee's career, try to force him out to avoid making payments. In spite of the best conditions and non-forfeiture provisions that you could put into an agreement, in the absence of good faith, either party can wreck the intent of the plan.

Revenue Ruling Helped

Deferred compensation is, indeed, an effective tax saving device. The tax uncertainties which previously hovered around it have been removed by the promulgation of revenue ruling 60-31 early in 1960, as well as by favorable court decisions in recent years. These developments have been a great stimulus to the sale of deferred compensation. But while we happily anticipate the gold in the hills, let us remember that deferred compensation is just one highly specialized tool for mining it. Used under the right conditions, there is nothing more effective for doing the job, but it is not a tool designed for wholesale mining.

Hint Legislation On Michigan Blue Cross Hospital Qualifications

LANSING—Possible legislation to establish qualifications for hospitals to come under Michigan Hospital Service (Blue Cross) has been hinted by the chairman of a state senate committee studying Blue Cross-Blue Shield operations in Michigan.

Following a committee hearing, Sen. Clarence Graebner, Saginaw, himself an agent, said there seemed possible basis for some complaints relative to excluding certain hospitals under present Blue Cross rules. One specific complaint given an airing was that of owners of a 28-bed hospital in Detroit, who said they had attempted for years to obtain Blue Cross certification for their institution but had been repeatedly rejected. Bennett J. McCarthy, Blue Cross director of hospital affairs, contended the hospital never had been able to meet Blue Cross standards.

Another Issue Raised

The issue of admitting other than medical doctors in Blue Shield also was raised at the hearing. A chiropractor had complained that his patients had to have a medical doctor's certification in order to be treated in a Blue Cross hospital. Mr. McCarthy said Blue Cross officials felt that a hospital patient should be under jurisdiction of a medical physician, but he denied that medical doctors had generated pressure to exclude other types of practitioners.

Some complaints on mounting premium costs also were discussed by the committee. It was noted that rates have been raised six times in the past seven years.

Tex. Court Upholds Decision On Saunders

AUSTIN—Reversal of the perjury conviction of J. Byron Saunders, former chairman of the old Texas Board of Insurance Commissioners, became

final recently when the court of criminal appeals overruled a second motion for rehearing without filing a written opinion. However, Les Procter, district attorney, has asked the court to stay issuance of its order.

The court's split decision of 2 to 1 is regarded generally as barring prosecution of Garland A. Smith, also a former commission chairman, and of his son-in-law, Max Wayne Rychlik, who also were indicted for perjury in allegedly giving false testimony to a legislative committee investigating the collapse of the ICT insurance empire of BenJack Cage.

Asks For Clarification

In his motion for rehearing, Mr. Procter had asked the court to clarify its views for the guidance of the legislature, which he believes will want to change laws in order to "protect the legislative processes in the questioning of witnesses under oath."

Mr. Saunders was indicted late in 1957 for giving false testimony about an oil royalty deed for which he said Mr. Cage paid him \$7,000 and also for failing to tell the truth about \$900 in checks for "legal services" he received from ICT affiliates. Mr. Smith was charged with giving false testimony about gifts that he allegedly received from Mr. Cage and Mr. Rychlik was cited for allegedly giving false testimony in connection with \$9,800 he had received from one of Cage's firms.

Holgar Johnson Sees Pattern Of Steady Life Insurance Growth In '61

(CONTINUED FROM PAGE 1)

dollars of the capital requirements of the economy came from life insurance dollars and this flow of capital funds from life insurance will continue. By the close of 1961, there will be a total of more than \$125 billion of policyholder funds financing the needs of business and industry, private home owners and community development. During the year, new funds totaling \$6 billion will go into the capital markets and together with the reinvestment of maturing securities will make possibly \$20 billion available for new investment. Translating these investments into jobs created and maintained, home ownership, business and industrial expansion, and important community services, well diversified throughout the nation, we get some idea of the economic influence of life insurance.

Challenges To Face

In 1961, the life insurance business will be meeting the anticipated challenges of a competitive and changing market. For instance, we are at the beginning of an upward swing in the number of family starts. The marketing features introduced within the past few years and which have received wide acceptance are only at the starting point of potential growth.

Through the sales efforts of professional life insurance representatives in the field, and increased education as well as by intensified home office merchandising procedures, the life insurance business will make greater efforts to reach millions of American families whose life insurance programs fall far short of potential needs.

MFA Life Has Good October

October sales of MFA Life of Columbia, Mo., amounted to \$5,414,931. The company is in its second year and operates in Missouri only.

Guardian A&S Plan Guarantees Issue, Convertible At 65

Guardian Life has introduced in most states a hospital and surgical expense policy which provides flexible coverage and a wide range of benefit levels. The new policy is guaranteed renewable to age 65, at which time it is convertible to a lifetime plan, without evidence of insurability.

Under plan A of the policy, daily hospital room and board coverage is provided on an expense-incurred basis. For any single hospital confinement of up to 365 days, the company pays the amount charged by the hospital for room and board, up to the maximum daily limit provided in the policy. Per diem benefits of from \$5 to \$25 may be selected.

Plan A also pays for miscellaneous hospital charges, up to 20 times the daily benefit limit. Combined room and board and miscellaneous charges are subject to a deductible—three times the daily limit. The deductible does not apply to pregnancy coverage, which is 10 times the daily room and board limit, regardless of the length of stay in a hospital, if pregnancy terminates in normal delivery. For multiple births or Caesarean section, the limit of payment is 15 times the per diem room and board benefit.

No Deductible In Plan B

Under plan B, a flat benefit for daily hospital room and board is paid, according to the benefit level selected by the policyholder, and regardless of the actual expenses incurred, up to a total of 365 days for each sickness or injury. Plan B has no deductible, does not include pregnancy or benefits for miscellaneous hospital charges, but full coverage may be provided under plan A, plan B, or a combination of both.

Benefit plan C, which may be purchased only in conjunction with one or both of the other plans of Guardian's hospital and surgical expense policy, cover surgical and obstetrical fees. A new schedule of limits for major operations, allowing for the purchase of higher maximum fees, is in effect. In addition, should a policyholder be hospitalized and not use his surgical benefit, he receives 1½% of the surgical fees limit per day, up to 30 days.

N.Y.C. Chapter Seeks Cash, Endowments For CLU Development Fund

The New York City chapter campaign for American College's National CLU Development Fund has opened with the declared aim of establishing a permanent endowment for the CLU program.

B. William Steinberg, Massachusetts Mutual, is chairman of the New York City drive.

Nationally, the fund is seeking pledges totaling \$1 million over a 10-year period. The New York City campaign will shoot for \$75,000 in cash pledges plus \$1 million in life insurance face value for the benefit of the fund.

The monies from all chapters will establish a debt-free national home, Huebner Hall, for the college. The hall will provide facilities for advanced continuing education and a broadened program of public recognition for the CLU movement.

Seven Policyholders Have \$2 Million Coverage Each With Massachusetts Mutual

Massachusetts Mutual, which increased its maximum issue limits from \$1 million to \$2 million in 1956 and from \$2 million to \$3 million in 1959, reports it now has seven policyholders with coverage of \$2 million or more. One of these insured has a total insurance estate of \$3,660,000 with all companies.

All the life insurance multi-millionaires are married men and have chil-

dren. Their average age is 43; they purchased their first Massachusetts Mutual policy at average age 29; and today they have an average of 11 policies each. Three of them are presidents of companies, three hold other executive positions and one is a financier. Two are in the oil business, four with manufacturing concerns and one is in the investment field.

Massachusetts Mutual also has 40 policyholders with \$1 million or more of coverage with the company. Three of these are women. The company had no \$1 million policyholders before 1954, 28 in 1958 and reached a total of 40 last month.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance. THE NATIONAL UNDERWRITER—LIFE EDITION

SENIOR CONSULTANT PENSION and EMPLOYEE BENEFITS

Exceptional opportunity for improved earnings and fine future with leading firm

As a result of recent expansion, an unusual opportunity has become available with national consulting firm for a topnotch, experienced man to serve as a Senior Consultant.

Knowledge of both pensions and other employee benefits desirable but not essential provided he has sufficient depth in pensions. The right man will be assigned a number of present clients and given every assistance by our senior executives to grow in his knowledge of the business and advance in our organization.

The man selected will receive an attractive salary commensurate with his experience, plus profit sharing. Generous insurance and pension benefits are also provided. He will have the opportunity to advance as rapidly as ability is demonstrated.

Our staff has been advised of this advertisement.

Write fully and in confidence concerning your background and experience to Box NY-45, National Underwriter Co., 17 John St., New York 38, New York.

UNUSUAL OPPORTUNITY PENSION ACTUARY SENIOR—ADMINISTRATIVE

Unusual opportunity for qualified and experienced pension actuary to join leading consulting firm in a senior actuarial and consulting capacity. Good starting salary with unusual opportunity to grow and advance rapidly as abilities are demonstrated. Mature judgment and ability to supervise the work of others essential.

Write fully and in confidence covering your background and experience. Confidential appointments will be arranged with all qualified applicants. Write President, Box No. NY-46, National Underwriter Co., 17 John St., New York 38, N.Y.

AVAILABLE

A Life Agency Officer with an excellent record and background who is stymied in present position. Interested in first sales position with a well established Combination Co. Write Box V-35, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ACTUARIES

Immediate openings for Fellows and Associates. Excellent opportunity in large life insurance company.

★ Experience desirable in Individual, Group, or Pension Lines, Research, Administration, or Consulting.

★ Salary commensurate with experience.

★ Excellent opportunities for advancement in salary and position.

★ Must have potential for Management responsibilities.

★ Our staff informed about this ad.

Send full details of education and professional experience to: Box V-32, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ADDING, EXPANDING OR REPLACING?

Group and Pension Sales Executive available... Home Office or Field... Experienced, successful in all phases of Group and/or Pension business. Box V-43, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Opportunity Wanted

20 years successful General Agency experience, Life and A&H. Now would like a new challenge as Regional Director of Agencies with an aggressive Life Co. Now live in the West and prefer not to move. Will provide complete details and will answer all correspondence. Write Box V-44, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.



Carl Ernst, director of A&S of North American L&C, demonstrates some of the visual aids he uses to illustrate to prospects the importance of health insurance. Mr. Ernst spoke at the December meeting of Chicago A&H Assn. Observing are William F. Tortorello, Hartford Accident, and Stanley Greenspun (right), Massachusetts Casualty, president of the Chicago association.

Employ Visual Aids To Whet Prospect Curiosity. Chicago A&H Agents Urged

Visual aids as instruments to whet the prospect's curiosity were recommended by Carl Ernst, director of A&S North American L&C, who demonstrated a salesman's bag of visual selling tricks at the December meeting of Chicago A&H Assn.

Visuals will draw the prospect into participating in the interview, and this is desirable, he said. However, prospect participation should be on a controlled basis so that the subject is not lost in the fog of random conversational pleasantries. The agent can control the prospect's mind by controlling the eye.

The man who is opposed to visuals probably doesn't believe in TV either, he remarked, the error of this attitude being that more and more people today learn by seeing.

A checkbook flashed before the prospect's face is always a good teaser, Mr. Ernst said. The normally inquisitive person can't help but wonder what entries appear in the book, especially in the deposits section. He may not be impressed when he sees that the deposits each month amount to only \$100, but he will be when the agent reminds him that a hundred a month from the insurance company is a lot better than the nothing he gets when disability keeps him from working.

A device which Mr. Ernst employs to illustrate the greater likelihood of disability over death was the yellow page section of the telephone directory. He pasted together a long chain of pages containing phone numbers of morticians. "Would you believe that in a city the size of Chicago there were that many people earning a living by kicking dirt in the faces of others?" he quipped. Twice as long,

Umberto Palo Addresses D. C. Life Agents Assn.

Umberto Palo, Prudential, Newark, in his speech at the luncheon of District of Columbia Life Underwriters Assn., said that the sale and ownership of life insurance is representative of the American way of life, as contrasted to the security found in paternalistic state-controlled societies.

Life insurance, Mr. Palo said, is "the greatest product ever conceived by the mind of man," one which sells itself if the producer really believes in it. Mr. Palo, however, noted that despite these facts, life insurance is still getting "less and less of its share of the spendable dollar."

however, was his list of doctors' numbers.

Usually, agents who believe in what they are selling own large amounts of health insurance. This is a sales asset, he declared. An agent who can tell his prospect, "If you buy 50% of what I own, I'll never bother you again!" is in a good position to make the sale.

SEC Suspends Registration Exemption In Stock Sale By Indianapolis Company

The Securities & Exchange Commission has issued an order temporarily suspending a regulation A exemption from registration under the securities act with respect to a public stock offering by National Security Life, Indianapolis.

Regulation A provides a conditional exemption from registration of public offerings of securities not exceeding \$300,000 in amount.

Said the SEC about National Security's offering, "In a notification filed on Nov. 4, 1960, the said company proposed the public offering of 73,300 common shares at \$2 per share pursuant to such an exemption. In its suspension order, the commission asserts that certain terms and conditions of regulation A were not complied with; that the company's notification and offering circular are false and misleading in respect to certain material facts; and that its stock offering would be and is being made in violation of section 17 (the anti-fraud provision) of the act. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent."

Four Charges Listed

Particularly, the commission order charges, among other things, "(a) that the notification falsely states that no unregistered securities of the company were issued within the past year and fails to disclose the issuer's contingent liability arising out of the sale of unregistered securities; (b) that the offering circular fails to describe adequately and accurately the nature and extent of the company's business and, more specifically, fails to disclose clearly the adverse operating results of said business; (c) that the offering circular fails to disclose payments made, directly and indirectly, by the issuer to its officers and directors; and (d) that there was a failure to include adequate and accurate financial statements prepared in accordance with generally accepted accounting principles."

Shanks Resigns: Pru Chief Says Role In Ga.-Pacific Corp. Deal Was Distorted

(CONTINUED FROM PAGE 1)

sonal action than I believe is, in some circles, deemed proper if I remain president of the Prudential.

"Incidentally, it is my deep personal conviction that the Georgia-Pacific transaction, from which I withdrew, has been misrepresented and misunderstood.

"As I end my service with the company I beg leave, in fairness to my colleagues and myself, to indicate the strides our company has made during the 15 years of my term as president. That, of course, is best shown by the statistical figures, but here let me say simply that in internal strength, in the steady growth and progress of its business success and efficiency, and last but not least in the matter of public confidence our company is now conspicuously outstanding in the life insurance industry.

"After my retirement becomes effective, I will take a short vacation and then will be in a position to announce future plans."

\$400,000 Tax Saving Involved

The Georgia-Pacific negotiation to which Mr. Shanks referred would have reportedly saved him some \$400,000 in federal income taxes. It involved his putting up \$100,000 of his own money and borrowing from Bank of America, Los Angeles, \$3.9 million of a five-year loan, toward the \$8.4 million sale price of Timber Conservation Co.

The remaining \$4.4 million was put up by Georgia-Pacific, of which Mr. Shanks is a director. He sold his share in Timber Conservation Co. to Georgia-Pacific the same day he bought it, and was to be reimbursed over the next five years by G-P as it harvested the timber on the property at a price of \$40 per 1,000 board feet of timber felled. If G-P had failed to cut the timber, Mr. Shanks would have had the right to have enough timber cut to get his money out.

Would Pay Principal, Interest

The money so obtained from G-P was to be paid by Mr. Shanks to Bank of America to pay off principal and interest on his \$3.9 million loan. By the time the five-year loan period expired, Mr. Shanks would have gotten his \$100,000 back with interest, after which G-P was to discontinue the payments.

Assuming Mr. Shanks to be in the 90% tax bracket, since his Prudential salary is \$250,000 a year, he might have cut his annual tax bill by around \$400,000 in the 1961-64 period. Interest on the loan would have been about \$750,000 in all, or \$150,000 a year. He could have deducted this from his taxable income. This would have cut \$135,000 from his tax.

On the other hand, there would have been a reportable profit on the sale of the property to Georgia-Pacific. The profit would have arisen from the

fact that G-P was obligated to pay Mr. Shanks not merely the amount he had paid for the property but also enough additional to cover the interest he was to pay on his loan. This additional amount would have been \$150,000 a year. However, this would have been a capital gain, and after six months the tax on it would be limited to 25%, or \$37,500 a year, instead of the normal income tax of \$135,000, assuming a 90% bracket. Thus he stood to save \$97,500 in taxes.

It is reported that a majority of the Prudential board wanted Mr. Shanks to continue as president and tried to dissuade him from resigning but he felt several members were so strongly opposed to his remaining that it was impossible for him to continue.

Advertising Belted By Engelsman, Josephson

(CONTINUED FROM PAGE 1)

Josephson questioned the value of all such advertising and criticized some of it as being positively harmful to the "professional image" of the life agent that has been built up over a quarter-century. He said his company, Connecticut Mutual, was just finishing its second year in national advertising, yet during practically every year in which the company did no national advertising it showed production gains as good as or better than companies spending \$500,000 a year on national advertising.

Not Like Selling Cigaretts

If a cigaret company were to stop its advertising, its sales would stop, Mr. Josephson observed, but said in life insurance he questioned whether there is a relationship between advertising budgets and sales. He expressed doubt that advertising helps the company doing it, though he feels it probably creates greater receptivity for the next agent who calls, regardless of company.

Mr. Engelsman agreed with Mr. Josephson that some advertising "has cheapened our approach." He contrasted the situation of the young agent grappling with columns of figures in a financed insurance sale as against going out and asking prospects. "What would your family do if anything happened to you?"

Should Go Out With Agents

He said there should be more coordination between advertising and sales departments, that all advertising men should spend some time in the field to see how life insurance is really sold. He said this would change the advertising man's concept overnight.

Outlining what he would do if he were in charge of all life insurance advertising, Mr. Josephson said he would ban all advertising by individual companies and have it all done through a central agency, either Institute of Life Insurance or some other. He would make all advertising purely institutional, "pleading the simple virtues of life insurance."

In the question-and-answer period, Mr. Josephson said, "I wonder why you all duck the most important observation I had to make, that is, who's going to pay for the advertising of the cheaper-by-the-dozen policies?" However, the additional needling brought forth no answers or conjectures on this point.

Carrier Fire Costs U.S. Employee Group Half-Million Plus

NEW YORK—Claims totaling \$538,000 on 40 certificate-holders in the Federal Employees Group Life Insurance Plan have been filed, up to press time, as a result of the fire on the carrier Constellation under construction in the Brooklyn navy yard.

Coverage was for a year's pay, with double indemnity. The average of claims thus far filed is \$13,450.

Additional coverage carried by those covered will increase the total death claim payments in all companies by several hundred thousand dollars.

The case is managed by Metropolitan Life as primary insurer, with nearly 200 other life companies sharing in the risk through reinsurance according to a formula worked out at the time the case was written, giving all group writing companies an opportunity to participate according to their group writings, except that smaller insurers share a little more than pro rata.

N. Y. Crash Costs Insurers \$8 Million

(CONTINUED FROM PAGE 1)

counted for by death claims under accident or A&S policies. About a million dollars is estimated to be for trip policies purchased at airports. The remainder includes claims under commercial accident, group accident and travel policies.

It is by far the largest death claim total on record, chiefly because of some very large life policies, including one for \$550,000 on a Mutual Benefit Life policyholder.

Conn. General 1960 Aid To Colleges Totals \$41,790

Connecticut General this year contributed a total of \$41,790 to 109 colleges and universities under its two-part program of aid to higher education.

The first part of the program is a direct grant to the college whose graduates have been employed by Connecticut General for 10 years or more. It is based on the premise that in four years a college spends about \$4,000 beyond what it receives in tuition and fees to educate each student. A direct grant of \$160 for each eligible graduate seeks to replace the income the college would receive from endowment if \$4,000 were available for investment at 4%.

In the second part of the program Connecticut General matches individual gifts made to any privately supported four-year college or university by employees who have been with the company for at least one year.

Won 10, Not 5, Points

The item on page 1 of the Dec. 17 issue reporting the success of the joint company committee in getting Internal Revenue Service to modify its proposed regulations covering phase I of the life company income tax law mentioned the five most important changes but failed to indicate that the committee also got the desired modifications in five of the remaining seven points.

Security-Connecticut Sales Up 100%

Security-Connecticut Life's individual sales increased over 100% in 1960. During the year 122 new general agencies were appointed by the company.

New Positions For Seven Of LIAMA Personnel

(CONTINUED FROM PAGE 1)

army in public relations work. He has worked for a New York advertising agency, the Travelers public information and advertising department and Hartford National Bank & Trust Co. He joined LIAMA in 1956 as staff editor.

Mr. Evans was an investment bond salesman before entering the life insurance business as an agent for Ohio National in Chicago. He was regional supervisor for the company when he joined LIAMA last April.

Mr. Foley began selling life insurance for Commonwealth Life and was its manager in Springfield, O., when he joined LIAMA last June.

Lawton In Investment Business

Mr. Lawton spent two years in the investment banking business before he began selling for Aetna Life in Cleveland. He was also an editor for a commercial insurance publishing company and management training director for New York Life. Prior to joining LIAMA last year he was associate manager for New York Life in midtown New York City.

Mr. Leach is a former sales engineer for Westinghouse. In 1950 he began selling for Connecticut Mutual in Kansas City and was general agent there before joining LIAMA last year.

Mr. Sauder worked in various sales and managerial capacities before entering the life insurance business with Connecticut General as an agent. He was agency assistant in the home office before he joined LIAMA last February.

ACTUARIES

Alvin Borchardt & Company
CONSULTING ACTUARIES
= AND =
INSURANCE ACCOUNTANTS
Detroit Atlanta

BOWLES, ANDREWS & TOWNE, Inc.
ACTUARIES
MANAGEMENT CONSULTANTS
LIFE—FIRE—CASUALTY
EMPLOYEE BENEFIT PLANS
RICHMOND ATLANTA NEW YORK
PORTLAND DALLAS MIAMI

Haight, Davis & Haight, Inc.
Consulting Actuaries
Insurance—Pensions
2801 North Meridian St. 5002 Dodge St.
Indianapolis 8, Ind. Omaha 32, Neb.

E. P. HIGGINS & COMPANY
Consulting Actuaries
Auditors and Accountants
Pension Consultants
Bourse Building Philadelphia 6, Pa.

HARRY S. TRESSEL & ASSOCIATES
Consulting Actuaries
Insurance—Pensions
10 South La Salle Street
Chicago 3, Illinois
FRanklin 2-4020

Service Guide

CONFIDENTIAL NEGOTIATIONS FOR
SALE OF INSURANCE COMPANIES

Ralph F. Colton

30 N. LaSalle St. Chicago 2, Ill.
Financial 6-9792

Let's Talk

about Massachusetts Mutual ANNUITIES

WHY AN ANNUITY?

- The ANNUITY is the only financial vehicle **specially designed** for the distribution of funds.
- You can live on **both** principal and interest and know the annuity income will continue for life.
- You can enjoy the same privacy and speed as in life insurance for transferring any unused portion to your chosen beneficiaries if death occurs within the "certain" period.

WHEN CAN IT START?

Immediately or at choice of Retirement date.

HOW CAN I PAY FOR IT?

By (1) a single deposit, or by (2) annual, (3) semi-annual, (4) quarterly or (5) monthly deposits.

HOW LONG WILL IT LAST?

As long as life itself lasts (also available as joint income for 2 persons, the same or a reduced income to continue throughout the life of the survivor, if desired.)

HOW MUCH WILL IT COST?

Here are a few samples to illustrate each of the three general types of Annuity. Today our Single Premium rates are the most attractive since the mid-30's.

Purchased by	Monthly Income for life (10 "years certain.")					
	Beginning at age 55		60		65	
	Guar.	With Div.	Guar.	With Div.	Guar.	With Div.
Single Premium — Start Immediately						
\$1,000 (M).....	\$ 5.25*	Non	\$5.84*	Non	\$ 6.56*	Non
\$1,000 (F).....	4.75*	Par.	5.29*	Par.	5.97*	Par.
Single Premium — \$1,000						
at Age 45 (M).....	\$ 5.82	\$ 6.94†	\$ 7.38	\$ 9.22†	\$ 9.44	\$12.33†
45 (F).....	5.24	6.32†	6.58	8.38†	8.35	11.24†
Annual Premium of \$100 per year						
at Age 45 (M).....	\$ 4.88	\$ 5.55†	\$ 8.85	\$10.32†	\$14.32	\$17.17†
45 (F).....	4.40	5.05†	7.90	9.39†	12.67	15.67†

* Rates adjusted to exact year and month of age.

† Includes dividends both before and after maturity which are illustrative only and not guaranteed. Not shown are the annual Excess Interest Dividends which are payable during the Certain Period.

MASSACHUSETTS MUTUAL *Life Insurance Company*

SPRINGFIELD, MASSACHUSETTS • ORGANIZED 1851

